Public Bank Solution

AbundioTeca

As a picture is worth a newspaper, we have designed a graphical illustration depicting the fraudulent and invalid current monetary system.

No deepen their origin cheater, you must know that is fully based on an illusion, that is, not what we think it is. The reason everyone is in debt (households, firms and states) is because the money has been borrowed, but not to other countries and / or others who have it not, has been asked to borrow the banks. They create money under lend, **the money comes in the form of deposit when bank give loans**

The banks create new money as numbers (deposits) appearing in bank accounts through the accounting process when loans are granted. And this statement has strength, then the words of the Bank of England;

"When a bank grants a loan, for example who applying for a mortgage to buy a home, usually does not giving thousands of pounds in bills, instead credited to the customer's bank account a deposit for the loan amount mortgage. At that time, new money is created (BoE quarterly newsletter, 1Q 2014) "

It is ultimately the money comes from the debt has been created from nothing.

Similarly, when these loans are returned, the process is reversed, the money disappears from the economy, and therefore the money supply shrinks.

In this fraud is known as economic growth, when really we should redefine it as **expansionist monetary contraction bankary oriented.** All the monetary system is based on <u>deception,</u> an illusion that conceals the <u>massive counterfeit money only for private banks</u>

However, the perversion of this fraud lies in the implementation of a type of **interes** all loans, when really it **has not even been created in the money offer.** This scam, also known as usury, allowing for expansive monetary cycles <u>banks collected in the form of private gain with the application of interest much of the money offer created fraudulently,</u> and, therefore, decreasing the money supply with this organization, all the loans can not be paid.

As such, bankruptcy and perpetual deficit is unavoidable, however, the private enrichment of the monetary system grows exponentially. Objective: **bankarizing countries plundering their resources** for nothing, and **enslave all humanity** to its most lucrative leisure.

Indeed, poverty, inequality, social exclusion, evictions, expropriations corporate, personal ruins and family, etc., are the result of this deception.

<u>*The ability to create money in the hands of private commercial banks has been, is and will be the root cause of all financial crises,*</u> and that is not limited or regulate the creation of money and credit to the private financial system.

Where do you think these fraudulent loans are targeted effectively ?, towards the **most lucrative sectors,** at the same time are more **speculative,** <u>real estate and finance.</u> Since the debt-money abounds, prices rise, and therefore private profit, that simple.

At this price increase monetarily oriented it is also known as bubble that will explode when the money supply shrinks to repay part of the loans granted, and pay usurious interest demanded. Most of all bubbles, the derivatives market is still untapped, and this, if you will molar.

Finally, the absence of all the money in the system, which makes it impossible to return all loans, much of the bankrupt users. But no matter, housing and other productive assets are the guarantee, therefore, **doubly private bank always wins,** <u>either the collection of interest,</u> either <u>through the expropriation</u> designed by the interested artificial legality directed by a political system known as fraudulent work rules. In short, **steal our efforts,** products, services, resources, etc., **in exchange for nothing.** Many call this game Democracy, but such term does not apply in an economy monetary base.

This migration of much of the new money supply created to highly speculative and unproductive sectors seriously undermines the real productive economy. But **the money is to serve the entire economy and society, the private banking system does not care,** only <u>is concerned with profits,</u> generated in large part by the area of finance, which currently governs us a casino that benefits obtained through the arbitrary movement of money.

Normally, speculation is synonymous with high risk but not for a bank, Why?, For the **nonexistent moral hazard**, <u>none of his actions have repercussions on themselves,</u> are always redeemed, or purchased at cost 0 other larger private banks. Welcome to Bank-kleptocracy

For example, when a **bank makes investments,** forgiveness, betting, most of the benefits are customer deposits, effectively, the **risk will always be 0.** If the bet goes well, they win, if it goes wrong, we lose ourselves.

As customer deposits, bank liabilities recorded as accounts created belonging to them, they are always guaranteed by governments, lack betting analysis of real and historically contrasted risks, if they lose, they will be rescued with taxpayer money. Later we will see how to reverse this embezzlement.

Over **97% of the total money supply is created by banks PRIVATELY,** and the only thing that governments create is just 3% of the money supply in the form of coins and bills. This 97% are **DEPÓ banking sites,** liabilities of banks, meaning that **depend on the health of their balance sheets.** Therefore, as we saw above, if a bank fails, we all pay.

As such, **the health of our payment system** that supports the real economy, **depends on banks do not take risks,** but risk taking is inherent in the banking system. In the final analysis, depend on the government to intervene when banks fail.

We watched as the perpetual deficit and bankruptcy are cyclical due to the application of interest that has not been created in the money offer, therefore, bank failures are also unavoidable. As such, the **current monetary system suffers structural damage from the Fundation,** which can be repaired with a simple solution, Public Bank.

Since all the territories of the European Union have lost their monetary sovereignty, the proposal is aimed at **reforming the ECB,** currently configured as a confederation of national central banks, where most private commercial banks are integrated.

And if there really is composed of central banks, why, according to Article 123 of the Treaty of Maastricht, are forbidden to governments borrow directly to the ECB? ... Causally, this privilege only granted to the private banking system, that borrows from 0.05% currently (free money) and buy bonds of states that rent above 2% in the best case. Now you know where the other party is also fraudulent, the high bank profits.

What is this reform?, **return to the states the power to create all the money,** debt free, and introduce some **changes in the banking system** to avoid bankruptcy inevitable end. If implemented, never again to hear the word crisis, and all current, will be overcome.

First, we introduce an acronym over the name, now the new institution should be renamed **BSCE, B** ank **S** ocial **C** entral **E uropean.**

The main reform, as already announced, would return to the states the power to create all the money, **thus disabling thus creating new money from private banks** as deposits when granting loans.

Regarding the changes in the banking system, we use permit from dineropositivo.es to explain the technical part. The functions of banks would be the following

- The payment function; administering the payment service to the public and businesses, and maintaining safe deposit until needed to be spent
- The Role of loan / savings: acting as intermediaries (brokers) between savers and borrowers.

Well, payment functions be made in the new **Transaction Account** created for businesses and general public. The funds from these accounts would not be deposits created by banks (bank debt with the client), but free electronic money debt created by the European Central social bank.

These funds transactions would be stored electronically in the BSCE, and will be legally owned by the customer. **The fund transactions are completely free of risk,** because they can be invested or put at risk by the bank.

From now on, **banks provide payment systems** (heels, cards, internet banking, ATMs, etc.) that will allow the customer to use their new debt free money to make payments. At the same time, the accounts do not accrue interest, but banks could **charge fees for providing these services.**

The other function, brokerage, could be done through the **Investment Accounts,** where any customer who wants to save or invest for income **would transfer funds from your trading account to an account of contributions owned by the bank.** The bank would create an investment account for the client, which is a liability of the bank representing the investment and the bank's obligation to return the funds in the future. The client should agree on a mandatory notice period before regaining access to your money, or agree a deadline where the investment shall be repaid.

Banks would play the role of pooling funds from investment accounts, and then lend those funds to borrowers who create timely. Thus, efficiently diversify the risk on behalf of savers meet. The investment accounts would not be guaranteed by the government.

Capital requirements and other rules to prevent risky behavior by banks would be established. To reinforce this role, **banks** will **require 100% of reserves,** which, would guarantee the return of the investment savers malpractice case, banks only lend what they have in their investment accounts, serving as collateral and guarantee your booking.

The balances of the s investment accounts may not be reassigned to other means of payment, thus preventing function as a substitute for money. Thus, banks really become intermediaries.

The **BSCE** serious **solely responsible for the creation of money,** as necessary to **maintain a non-inflationary growth.** Instead of using interest rates to influence the behavior of depositors and lenders directly administer the creation of money.

Decisions on the creation of money would be taken independently of governments, creating a new **Monetary Policy Committee,** composed from all parties of the joint. The committee **would not set interest rates,** would be determined by the market.

The committee would observe the plans for growth and jobs in government, and **adjust the creation of money that would provide price stability from every region.** However, as we will see, the proposed reform of the **monetary system would mean that it would become deflationary**, *the money people would have more value.* Yes, you can, too.

Well, any amount of new money DEBT FREE, created by the serious BSCE transferred to governments and injected into their productive real economies through six possible ways:

1. **Additional Financing Government Spending.**

2. **Finance Tax Cuts,** where the new money replaces the lost tax revenue.

3. Make **Direct Payments to Citizens,** so each person could spend the money on anything you consider to mainly reduce its indebtedness, thereby eliminating much of fraudulently private debt incurred by private banks.

4. **Reducing the Public Debt** ... until Delete it.

5. **Financing Companies Directly** for productive purposes. Loans for speculative purposes, acquisition of pre-existing assets, financial products without physical reality, etc., would not be allowed.

And sixth possibility, highlighting the title of this entry, Creating a **<u>Public Bank</u>** could receive funds from BSCE, for, **ensuring the existence of credit to productive real economy.**

In other posts, we used this figure of public banks to displace and replace the current private financial system, but this time his main objective will be different, **to maintain the flow of credit** and prevent the private financial system is reorganized as oligopoly. Let their definition;

Public Bank; **Direct access to abundant debt-free money for all citizens and medium enterprises,** and / or public credit institution where all new and existing local, provincial and state public funds previously issued by the Central European Bank Social deposited . Obviously, these new funds would be injected directly into the government's real productive economy.

All the above **mechanisms,** from the first to the sixth, would be **completely transparent** to both governments and citizens.

Well, And <u>how we apply this New Monetary Reform Transition Humanitarian Socially,</u> there are two possibilities, both equally valid:

First, a **<u>Gradual mode:</u>** BSCE begin creating new money, which directly transferred to governments to spend on the real economy. However, even banks would be allowed to create money through new loans. The new money that they would create would primarily intended to cover the amount of money destroyed by the repayment of loans, thus avoiding monetary contraction currently practicing. Over time, this ability to create money would go increasingly restricted to the date set for a reversal of the banking business described above. However, this mode has significant disadvantages as; deposits would not be safe or safe from the financial statements, unprotected system of bank failures payments, uncontrolled financial and real estate bubbles, señoretaje of funds, etc.

Secondly, a **Full Mode:** from one day to another, without any consequences for real economy, so suddenly and efficient without changing the level of the money supply, and without causing any harmful contraction in the number of available credit.

In process of immediate change, **bank deposits, which represent 97% of the money supply would become debt-free money issued by the state, and kept BSCE accounts.** Simultaneously, each bank become your bills on time deposits and savings accounts investment account, where you would be recorded in the balance of each bank and liabilities of the bank with the client.

Now, **instead of having a liability to their customers, each bank will have an equal obligation to BSCE,** therefore, there is no overall impact on the size and nature of their balance sheets, and there would any extraordinary benefit for the banking sector.

The **debt-free money issued by states would be recorded as a liability of BSCE,** the counterpart in the balance would be non-interest bearing bonds.

"... The problem is that for centuries we have a system banking based on debt, all our money is backed by government debt. Therefore, we can not extinguish the debt without extinguishing our source of currency. For this reason, cancel the debt issued without reforming the banking system, is an impossibility. As such, the solution is not to discuss the size of the debt, but a reform of the banking system and money ... "