

- Invest £2 billion in a network of *community banks*, mutually owned and serving local areas or particular groups.
- Expand the role and the funds of the *Green Investment Bank* by offering green Individual Savings Accounts and pensions, allowing the bank to borrow and boosting the equity in the bank by £9 billion over the Parliament.
- Introduce a *Robin Hood tax* (a financial transaction tax) to reduce destabilising speculation (see the 'Taxes' section below for details).
- Work for the abolition of the *City of London Corporation* and the special statuses it enjoys.

Greens in power carry out our policies

The Green-led administration in Brighton invested £100,000 in a local credit union, partly to help it set up an online system for residents to access loans, making the credit union as accessible as high-interest payday lenders. It also banned such lenders from advertising on Council billboards.

In 2013 Green MP Caroline Lucas worked with East Sussex Credit Union to show ministers how to help credit unions fulfil their potential by, for example, ending the restrictions that put them at a competitive disadvantage when compared with banks.

Regaining control of our money

One of the most fundamental tasks of government is maintenance of the currency. Without stable money accepted by all we can't buy and sell things or plan for the future. Inflation in particular makes it hard to take the long-term view that the environmental crisis demands.

Most people believe that our money is currently created by the nationalised Bank of England. It isn't. A pound in your bank account is no more than a promise by the bank to pay you that pound; you don't actually *own* any publicly created money. In fact, commercial banks create new money (in the sense of money in bank accounts) whenever they make loans, and that money disappears when the loan is paid back.

The fact that the size of our money supply – the total amount of money in circulation – is dependent upon millions of separate commercial lending decisions by banks makes it hard to maintain economic stability. During the great recession of the past few years, the unwillingness of banks to make new loans and the desire of people to pay down their debts has meant that the money supply has shrunk, and the government has had to resort to the emergency policy of printing money (called 'quantitative easing') to prevent an even worse slump.

We believe that the time has come to recognise that the creation of currency and the control of the money supply is far too important to be left to profit-seeking private sector banks and should be brought back under the democratic control of the state. Quantitative easing was but a first step. Commercial banks should be no more than the custodians of publicly created money in current accounts, and the creation of that money should become the function of a new monetary authority, independent of day-to-day government control. This policy would protect ordinary bank accounts, and

- allow banks to fail safely
- separate ordinary and investment business
- provide some control on overall lending and debt

This would be a massive and complex change to our banking system, with many ramifications, and its implementation, involving many years of consultation, legislation and the creation of transitional arrangements, would not be appropriate for one Parliament. But we would take the first steps of preparing detailed proposals and consulting upon them, and Green MPs will press this issue in the next Parliament.

The change to the new system would create a new and substantial cash flow for the government, which could be spent on social and environmental priorities and assist in paying down the national debt.