

Ronald Mackinnon

The Hon. J. Hockey
Treasurer
Commonwealth Parliament Offices
CANBERRA ACT

010877

Dear Mr Hockey,

Thank you for your initiative in holding an inquiry into our financial system.

Enclosed is my submission.

Yours sincerely,



Dr Ronald Mackinnon

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Tuesday, March 25, 2014

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SUBMISSION TO THE FINANCIAL SYSTEM INQUIRY/THE HON. JOE HOCKEY.

In his preamble, Mr David Murray states that: "An important role of the Inquiry is to assess the current state of the Australian Financial System and the extent to which the system meets the needs of the users of the system."

The system does not meet user needs and the following submission will rectify the principal fault in the system. In a free society systems must serve the individual and not the reverse.

The current money system generates progressively unrepayable debt resulting in debt enslavement and its far-reaching effects. There is a flaw in the monetary system necessitating ever increasing economic growth whether required or not, with its concomitant pollution and transfer of real wealth from a mine to a rubbish tip at an exponential rate.

That flaw is a deficiency in purchasing power issued as wages, salaries and dividends at each stage of production, the deficiency comprising the cost of depreciation of capital equipment produced in a previous cycle of production, but added to the current cost structure.

The issue of a bank loan when deposited results in the creation of money which when repaid, results in its cancellation (with the exception of the interest which was not created with the issue).

Credit issued for previously manufactured capital equipment is cancelled when repaid during that cycle and is unavailable as

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purchasing power to meet the capital depreciation cost component of current production.

Progressively automated production increases the depreciation component factored into current costs and prices and reduces wages. The resultant deficiency in purchasing power is evidenced by the necessity for increasing wages in an attempt to meet increases in the costs reflected in prices.

The deficiency in purchasing power to meet current consumption is currently met by ever expanding debt. This is the conscious policy of a centralist administration.

The current system does not accord with any natural law, has failed to serve the individual, and its continued application will continue the enslavement of its users.

The remedy is to issue an interest free, easily calculated percentage of the money supply as a self -cancelling National Dividend to all citizens to meet the deficiency.

The stated policy and platform of a Liberal NP conservative administration should result in emancipating the user from debt enslavement, and to encourage automated production. The true purpose of a productive system should be to provide the individual's requirements with as little effort as possible. Its purpose in a free society is not the current policy "to provide jobs", or of G.B.Shaw's "compulsory labour with death the final reward"!

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