

The money society needs is created in 2 ways: coins and notes produced by the government free of debt; and through loans made by financial institutions with accompanying debt.

Over the last 40 or so years, society has used less and less cash so that now less than 5% of the money used is in coins and notes. So more and more of the money needed is created with accompanying debt, leading to a more indebted society.

This change to a debt based financial system has come about without a change in government policy. The driver has been the finance sector which increases profits as it creates more money by making more loans.

There is no reason why the government could not go back to the situation where it produced more debt free money, with a corresponding reduction in the amount created with accompanying debt by financial institutions. Obviously a system would need to be in place to ensure that not too much was created.

Could the Commission of Inquiry investigate the effects that an increasingly debt-based financial system is having on community well-being and recommend the optimum percentage of money which should be created debt free by the Federal Government?

Why should a nation's people and its commerce drift ever deeper into debt simply to create their medium of exchange?

Why should a government, the one institution with the constitutional authority to create money, delegate this responsibility and power entirely to banks, and thereby oblige the nation to run on debt?

## References

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