

Dear Sir/ Madam

Our monetary and financial systems are totally broken and are in urgent need of a whole new makeover.

Firstly we must create a publically owned Central Bank. The RBA is well positioned to take on this role.

Secondly, we must remove from commercial banks the authority to create money as debt through loans.

Thirdly, we must legislate to ensure that the publically owned central bank is the sole creator of new money both physical notes and coins and electronic.

Fourthly, we must authorise the central bank to make funds available to Federal and State Treasuries as required but only as much as will not cause undue inflation.

Fifthly, we must legislate to allow the central bank to make funds available to commercial banks at, say 3% pa interest in order that commercial banks can on-lend those funds at 5%. These interest rates must be fixed. The central bank must be authorised to control the volume of these funds to ensure the economy is well supplied but not so much as to cause inflation.

The above measures will allow the abolition of all bad taxes and allow the introduction of a 0.1% debit tax on all bank withdrawals. This will allow further reduction of conventional taxes.

It is absolutely ridiculous that we allow privately owned banks to create money and then have our government borrow funds from those banks and pay interest on those funds.

Conclusion

The above measures would largely fix most of the problems with our monetary and fiscal systems.

However, if you really want to repair our economy, there is a desperate need to control the price of real estate. This could be achieved by making all land publically owned and only available as leasehold. This could be achieved gradually. As properties come on the market, our government (using funds from the central bank as above) would purchase the land component and then lease the land to the new property owner. Most leases would be in perpetuity for the life of the purchaser so would be little different to "ownership". Properties left to heirs would have the lease transferred to the new owners in perpetuity.

Questions on any of the above would be welcomed.

Regards

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