

# Submission to Senate Select Committee on Climate Policy

From Kevin Cox - 27th March 2009

There is a simpler easier way to encourage investment in ways to reduce greenhouse gas emissions than an emissions trading scheme. This different scheme will

- stimulate the economy without causing inflationary pressures
- cause the price of energy to go down
- reduce greenhouse gas emissions
- give Australian Citizens money to invest
- not affect the Australian government debt

The government can direct the Reserve Bank to increase the money supply by creating zero interest special purpose money and giving it to the Australian people to be invested in ways to reduce greenhouse gas emissions. Once the money is invested then it becomes regular money and so increases the money supply.

This special restricted money can ONLY be used for investments (that is it will return more money than is invested). If the money is special and attracts no interest then it will CANNOT cause inflation. The money can be distributed widely throughout the community. Once the special money is invested it becomes regular money and can attract interest.

Sounds strange? The current way we increase the money supply is for the Reserve bank to allow the banks to lend money they do NOT HAVE back to the government. The current method of increasing the money supply is bizarre.

Creating money by first investing it is a much more sensible way to increase the money supply.

In 2008 the money supply (as measured by the increase in M3) increased by \$170 billion dollars.

If \$30 billion each year for ten years of the increase in money supply (\$1500 per person per year) was invested in ways to reduce greenhouse gas emissions we would have ZERO net emissions by 2020.

To see a more complete description visit

<http://www.onlineopinion.com.au/view.asp?article=8692>

or

<http://stableproductivemoney.wordpress.com/2009/03/24/a-better-way-to-increase-the-money-supply/>

or view submission made to the climate change committee in the ACT

<http://www.legassembly.act.gov.au/downloads/submissions/08%20Kevin%20Cox.pdf>