

(Continued from page 7)

out by the railway. If we universalise this, we can see that the proposition is an impossible one if we regard money as being a fixed thing over which we have no power of expansion. But we know quite well that money is no such thing. It is no more fixed in amount than the number of tickets which are issued by a railway company are fixed in amount.

To quote Mr. McKenna, of the Midland Bank, we know how the amount of money in a country varies. "Each loan by a bank creates a deposit, or an increase in the amount of money in the country, and the repayment of every loan destroys the "equivalent amount of money." Similarly, the sale by a bank of a security increases the amount of money in the country, and the purchase by a bank of a security increases the amount of money in the country. **So that we have two entirely separate and distinct processes going on in the industrial world at the present time.**

We have the vast technical organisation, railways, factories, farms, and other productive enterprises, which are engaged in actually producing wealth in the true sense of the word. Parallel to these we have an entirely separate organisation, which creates money, and lends it to these organisations for distribution to the

public through the agencies of wages, salaries and dividends.

Since it is beyond all question, and is not denied, that this money organisation has control over the rate at which it creates and withdraws money, it seems beyond reasonable argument that either the whole economic process is under control of the money system which it forcibly slows or accelerates, according to financial policy, or, alternatively, the two, more or less, pursue separate courses, and bear no very direct relation to each other. As a matter of fact, I think that both of these conditions exist to some extent in the economic life of the nation and the world to-day; that there is a strenuous effort made on the part of the banking system to control and influence the real productive system, and this is only partially successful, with the result that finance and industry can, at the present time, bear less and less relation to each other.

If you had a railway which was fully equipped with locomotives, rolling stock, permanent way, and other necessities of a flourishing system, and you had a public which was clamouring to use this railway, but was met by the statement that only a limited number of tickets would be issued because the traffic department refuse to issue more except on its own terms, you would, I think, agree that it was time something happened to the traffic department.

We are exactly in that position to-day in the industrial world. Our equipment is wholly adequate, our public is clamouring for the goods, but in between the two stands a ticket office, and that ticket office is the banking system.

I have no doubt that the first step towards dealing with this question is to bring that ticket office under control, not necessarily by nationalising it, but by putting it into such a position that it must obey instructions in regard to the control and the issue of what is called: "credit."

Personally, I do not think that nationalisation of the banks is either necessary or wholly desirable. Unless done with great care, it would tend: to ensconce in the bureaucracy of the nation something which is already tremendously strong, and which, under those conditions, would appear to be almost impregnable.

Certainly, whether ultimately nationalised or not, I think it would be absolutely suicidal to nationalise the existing financial system. It is very questionable whether at the present time the banking system is not a great deal stronger than the governmental system. If it were incorporated in the governmental system without change, I see no earthly power which could reform it successfully without a military revolution.

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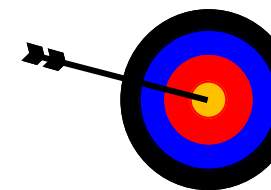
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ON TARGET

A WEEKLY COMMENTARY

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS



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The Price of Freedom is Eternal Vigilance —

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THOUGHT FOR THE WEEK

"Money in its widest sense is the lifeblood of society. In so far as men are independent of money they live, as it were, directly. They see around them the whole furniture of nature: the seasons, the ups and downs of weather, the forces of water, light and air, the soil and its properties and so on. It is through an appreciation of his place in nature and by his response to the stimulus of the natural order that man develops and expands in contact with 'reality'; and he does so because the pressure of events forces him into an understanding of and co-operation with (natural) law. He is in a Baconian world where the forces at work become inductively utilised to his own human needs.

But when he is obliged to work, not for subsistence, but for the money to obtain subsistence, he is no longer in a real world with its inescapable and accepted (natural) law. He is in an artificial world, a 'myth' world, created according to certain abstract ideas; and with this he has no part, no kinship."

-- Thomas Robertson in "Human Ecology: The Science of Social Adjustment" 1948

WILL THE BASIC INCOME REVOLUTION COME FROM SWITZERLAND?

<http://boilingfrogs.info/2013/06/03/basic-income-initiative-switzerland/>

The name of the website is 'Boiling Frogs: Baking crisis and slices of pain', and the article was written by Stanislas Jourdan, 3rd June 2013.

He writes: "With the success of the federal initiative for an unconditional basic income, Switzerland may accelerate the worldwide debate for all. Launched one year ago by two basic income groups from Basel and Zurich, the Swiss initiative still has until August to make sure it has the 100,000 signatures to succeed and trigger a referendum, as specified under the Swiss law..."

A referendum within two years? But even though the press is now unanimous that they are on the verge to succeed, the activists now aim at collecting 130k signatures by August, just to make sure they reach the quorum. If this goal is reached, then the government will submit their proposal to the vote, where all Swiss electors will be invited to vote yes/no to the proposals of the initiative which aims at embedding the principle of a basic income into the constitution, like it already is the case in Brazil.

In general, such a referendum is organized

within two years after the success of the initiative has been recognized by the authorities.



But the activists are not too much in a hurry. "If the vote comes too early, this reduces the required time for People to get informed, reflect, and make their own judgement about the idea" Ralph Kundig, member of the Basic Income Earth Network branch in Switzerland (BIEN-CH) told me. Though they did not launch the initiative, BIEN-CH decided to rally the efforts of their German-speaking counterparts. "In fact, the chancellor may speed up the process precisely to take by surprise the initiators, leaving them with fewer time than expected to run the campaign and find the necessary funds for it." he explains, though he remains optimistic: "on the other

hand, if the delay is short, we will benefit from the wave of sympathy generated by the Minder initiative".

Minder is the name of another popular initiative which aims at limiting 'abusive remuneration' which was remarkably approved by the Swiss people recently, by a large majority. This success generated a mood of optimism among the alternative spheres in Switzerland...

Unions and political parties: Contrary to many initiatives, the one on basic income has not gathered a lot of support from unions and political parties. Apart from the trade union SYNA (<http://la.indymedia.org/news/2011/03/245107.php>) and some sections of the Greens, leftists organizations have remained shy regarding basic income. Some of them clearly opposed the idea, arguing that basic income would decrease wages, mentioning a "bonus for laziness." Even Myret Zaki, a prominent journalist who makes a living from denouncing finance, said basic income was "a demagogic project which creates a mentality of rentiers." ..."

AT LAST PEOPLE ARE AWAKENING – BUT THEN, NOT BEFORE TIME!

To readers of *On Target* the following Youtube address on the history of the origin, the creation, of a nation's money system will not come as surprise, but what they will note is that more and more academics are speaking out on

the subject. While it took them ninety years to catch up with men such as Clifford Hugh Douglas, I guess we should be glad that they have made the effort. On this fundamental issue at least. The Youtube speaker is Prof.

Franz Hörmann, Assistant Professor and Lecturer at the department for Business Taxation and Tax Planning, of the Department for Accounting at the University of Economics and Business Administration, Vienna.

http://www.youtube.com/watch?feature=player_embedded&v=88ksYFfseto

“Private Central Banks can create an unlimited amount of money by monetizing government and commercial bank bonds. This money then becomes the Private Commercial Banks reserves on deposit at the Private Central Banks. Private Commercial Banks can then create 9 to 10 times that amount of money from nothing by monetizing personal and corporate debts such as corporate bonds and mortgages...”

http://www.youtube.com/watch?feature=player_embedded&v=88ksYFfseto,

Also: The Money Myth: Professor Jem Bendell at TEDxTransmedia2011 <http://www.youtube.com/watch?v=X5uGLbV5zVo>), on the workings of the private creation of money from nothing: "If one creates money out of thin air and then passes on what did not exist before and charges interest on it and uses physical assets as collateral, then that is in reality a model for expropriation."

WALLACE KLINCK OF CANADA COMMENTS ON THE VIDEOS

Banks may create money from nothing but they do it **by monetizing real assets** which are pledged as security and which could not be activated in the modern world without financial credit. The central flaw or evil of the existing financial system, is not that the banks play a facilitating role in issuing and destroying credit but that they claim the ownership of the credit they issue, and, thereby the right to ownership of the pledged assets enforced by the right of seizure or foreclosure upon the real assets of the borrower. They have, therefore, appropriated the communal capital and real credit of nations. Of themselves, the banks create essentially nothing, other than accountancy services, yet claim effective ownership of the earth. Major (Clifford Hugh) Douglas explained virtually all of these matters approximately ninety plus years ago. Money in the modern world is simply financial accountancy, which should convey correct information regarding production and consumption. The prevailing system of accountancy properly charges the consumer with capital **depreciation**, while wrongly failing to credit the consumer with capital **appreciation**, which latter, increasingly and greatly exceeds the rate of actual depreciation. We should have falling prices, increasing independent consumer income, and no overall need for consumer debt whatsoever. Prof. Hormann is correct in stating that

the financial system is one of expropriation, i.e., it is confiscatory, and one of its worst thefts is that of the leisure which would be possible of mankind, if not kept upon an ever inclining tread-mill of futile effort in attempting to liquidate exponentially expanding debt. Correct also is the observation that accumulated debt represents purchasing power, prematurely collected from the people, through ultimate prices. While they do skirt around a number of valid issues, Professors Bendall and Hormann are hopelessly confused other than in their elementary explanations of the manner in which money is created and destroyed by the actions of banks in extending and cancelling loans. Fundamentally, they do not understand the implications of the displacement of the need for human effort in the modern technological age, as regards **the creation of financial cost and the appropriate mechanisms for achieving instantaneous, dynamic and universal distribution of the products of industry**. Local exchange schemes are merely that, viz., primitive exchange systems whereas Social Credit is distributive--not redistributive, but distributive at source.

Financial Cost-Accountancy

Prof. Hormann obviously does not understand the price-making significance of conventional accepted rules of financial cost accountancy in

the modern industrial and technological age. Both fall into the trap of attributing the causes of our financial problems to non-State creation of "money", and to interest charges added to loans. The banking system, for all its evil effects, provides a massive service of payments transfer, without which modern business could not survive. What are some of these professed "money experts" proposing? That we should brand all the employees, high and low, of the banks as social parasites and have them liquidated? Or, simply institute a State credit monopoly and rehire them by the State - and pay their salaries from taxes? The core of the problem is not interest, per se, **but the accumulation of unliquidated capital costs and the claim of the banks to ownership of the credit which they create and the assets behind said loans**.

The primitive economy functioned better financially because production was hand-to-hand and capital costs were minimal whereas today they far eclipse labour costs. The longer I live, and the more I study Douglas, the more I am convinced that he possessed a balanced intellectual stature which eclipses anything to be found today. As Alfred Orage said, in the many meetings he and Douglas had with bankers, financiers and business people, Douglas made them all look and act like children.

(Continued from page 6)

of a railway, and since it is a fundamental in the existing financial system, that any (11) business undertaking must at least recover the whole of its disbursed costs from the public, or go into liquidation, it does not take very much consideration to see that the first and ruling policy of a railway is to get money from the public to meet both the demands of its employees for wages and salaries, and the demands of the financier and the shareholder for dividends, and that any quarrel as between the wage and salary earner and the dividend receiver is merely an internal quarrel, which does not, as a matter of fact, affect the over-riding policy.

(12) Now the next point which I think it is necessary to examine is whether a policy such as I have suggested is laid down by the existing financial system and a policy of making a railway the most effective instrument for transportation can be pursued at one and the same time, and I will say at once, before going further, that, I do not think that this is possible. Remember that the over-riding policy - that is to say, the policy without which, under existing circumstances, the railway cannot continue to exist at all, is to obtain wages, salaries, and dividends from the public.

(13) If less money can be obtained from the public for the transportation service, then less money can be paid to the employees of the railway, or to the share-holders. Not only that, but less money can be expended by the railway in improving and maintaining its rolling stock, its organisation, and its equipment generally.

(14) The situation which is created is, I think, entirely beyond dispute. It is a situation which involves quite fundamentally an antagonism between such a thing as a railway organisation and a public. The over-riding interest of the railway company, considered as an organisation, is to get the maximum amount of money from the public. The over-riding interest of the public, consider3d as an organisation, is to get the maximum service from the railway, with the minimum amount of payment in money.

(15) I do not suppose that, as individuals, there is a single member of the public who does not hold the railway service, particularly in England,

in the most whole-hearted admiration, nor do I suppose that, as individuals, there is a single member of the railway organisation who does not fundamentally regard himself as a servant of the public. (Remember this was in the 1930's ... editor) But while this is so, the sentiment which is involved is, I think, in practice almost wholly ineffective. It may have some influence in promoting those kindly and courteous relations between the individuals of the public and the individuals of the railway service, which do, on the whole, exist, but, to put the matter in the most simple terms, it does not prevent the average railway passenger or consignor of freight considering that he is being exploited, nor the average railway servant from considering that he is underpaid. There is, moreover, an influence at work in this situation which, in its effects on the railway itself, I believe to be wholly bad.

(16) For reasons into which it is not necessary to go at the moment, the financial cost of any service, such as that of the railways, has a tendency to rise above the ability of the public to pay the prices demanded. The result of this is to stimulate the public to find an alternative source of the same service, as, for instance, road transport, at the present time. The reply of such a large organisation as a railway system almost invariably would be to create a monopoly with a view to strangling such competition and leaving the public no alternative but to pay the price demanded. The outcome of this is the artificial obsolescence of a means of transportation which may, and probably has still, important functions and service to render to the public. The strangulation of the canal system in England by the railways and the threat to the railways at the present time by the roads, are instances of what I mean, which will be readily appreciated by a railway audience.

(17) Accepting the foregoing statement as being reasonably beyond effective contradiction, which I think is the case, is it possible to find, without over-simplification of the problem, any root cause of this radical divergence between the interest of the railway, considered as an organisation, together with its 'employees, and the interest of the public?

Certainly I have no doubt whatever that there is such a root cause, and it is not

really very difficult to discover. **Put into general terms, it is that there is no provision in the operation of a railway for the monetisation, in the first place, and the distribution of that monetisation in the second place, of what we referred to as "the unearned increment of association."**

Looked at from the realistic point of view, every additional service which a railway renders is not only an increase in the wealth of the world by the amount of that single service, but it is a contribution, by the process which I described at the beginning of my address, **to this unearned increment of association**.

But as things are at the present time, such an additional service must inevitably be paid for by extracting a certain amount of money from the public, or else it must be paid for, as one might say, from the opposite side of the ledger, by getting more service from the existing railway organisation without the distribution of more money.

In neither of these cases is there any financial reflection of the physical process which has taken place. (18) It is quite a fallacious argument, although I have heard it advanced, to say that the public receives this unearned increment by getting more value for the same money. If the Great Western Railway were to put on an express train from Snow Hill to Paddington at 10 o'clock, which would enable me to get back to London tonight, that train would have to pay for itself by collecting more money from the public than would otherwise have been collected, and there is nothing whatever in the organisation of the Great Western Railway Company which will enable it to distribute new money equivalent to the service performed by the new train.

In other words, the cost of the new train has to be collected from the public out of an existing stock of money. (19) If I have made myself at all clear, you will, I think, have begun to -see that all questions of the administration of a railway, such as nationalisation, are completely outside the over-riding necessity of, as the phrase goes, "making a railway pay," and making a railway pay simply amounts, in the last analysis, to obtaining more money from the public than is distributed through the wages, salaries, and dividends paid

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THE RELATION BETWEEN THE MONEY SYSTEM AND INDUSTRIAL ORGANISATION, by C.H. Douglas.

First printed in the "New English Weekly" 1932(?)

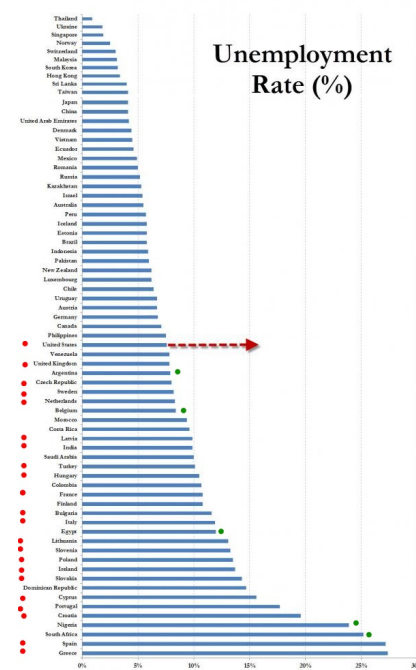
The following article needs to be studied in depth. So, get your thinking-cap on and your brain into gear. Once you have grasped the concepts, you will not look at the world in the same light ever again. Douglas wrote: "There is probably no aspect of the economic life of the nation which has been the subject of greater misunderstanding than that which I have chosen as a title for my address to you to-night. In the past, authority and economic privilege have been so inseparable that it has unconsciously come to be assumed by the great majority of people that they are:- (1) In fact, inseparable, and that one of them is a consequence of the other. Another way of putting this confusion is that policy and administration have been assumed to be the one and the same thing, an idea which is, of course, at the bottom of most socialist schemes for the reorganisation of industry. (2) Possibly arising out of this idea is the allied idea that what is called "profit" is in itself a wrong thing, and that a system which produces for profit, is condemned on those grounds alone. Now before endeavouring to separate and analyse this confusion, which is world-wide, in regard to the two quite separate subjects of *policy* and *administration*, I should like to devote a few minutes to this question of *profit*, because, in one form or another, it is probable that the whole future of civilisation depends on a right understanding of it, at any rate, by an informed minority. (3) The subject is commonly approached as though profit were an artificial thing, simply dependent upon some system, most usually referred to as the capitalist system. The first point on which to be quite clear is that the modern system of production, at any rate, quite inevitably, makes a high profit. (4) What it fails conspicuously to do is to distribute that profit, even to the capitalist. (5) In order to understand this most important point, I should like you to substitute for the word "profit" the phrase "the unearned increment of association." Now what do we mean by this? I think that I can put it into terms which will be grasped at once by a railway audience, and particularly by

railwaymen who have experience on railways in new and rapidly developing countries. **Consider the case of a railway in a new country.** Almost invariably it starts from some town on the coast, which has been developed so as to become a centre of population and of importance. The line is pushed out into the hinterland, and, immediately, land on either side of the railway line jumps enormously in value. Please be quite clear in your mind that not only does it jump in *price*, but it jumps in real value. If, for instance, it is growing wheat, the wheat belt on either side of the railway is available to a far larger population than was the case before, or, as it is commonly put, gains access to the world's market. It is quite impossible to say, with any truth, that this increase of real value, because it traverses the wheat, is due to the efforts of either the people who constructed the railway or the people who grew the wheat. It is something which arises automatically from the association of the two of them. Just for the moment, notice that, though the land rises both in *value* and *price*, it does not thereby create any new money to pay the price. **Now this idea of creating the unearned increment of association is the root idea behind our modern production system.** (6) When we bring a number of men together in a factory and link their efforts by real capital (by which, of course, I do not mean money, but tools and processes, and organisation, and scientific knowledge, and many other things) we do so, because by bringing them together to use these things, their production is enormously in excess of what it would be if they worked separately, and the fact that this idea is unquestionably and fundamentally sound has nothing whatever to do with the alleged annexation of the whole of this profit or unearned increment by something called the capitalist, assuming that he does, in fact, annex it, which is increasingly doubtful. The point that I am concerned to make is as to the existence, actual or potential, of this real profit. (7) Now, one of the factors, and only one of the factors, in obtaining this real

profit, is administration, and I should define administration as being a concerted attempt at co-operation for the attainment of a given policy. If you have grasped the foregoing, I think, quite simple idea, I think you will agree that the proper objective of *policy* to apply to a production system is to aim at the greatest possible unearned increment of production, or profit, in any real, as apart from a financial, sense. (8) Before turning to the problems involved in the distribution of this unearned increment, when we have succeeded in obtaining it, I should like you to consider our actions at the present time in the light of this idea. **Are we either pursuing the objective of maximising the unearned increment of production preparatory to distributing it, or are we, in fact, aiming at something entirely different? I think you will agree on examination that two completely opposite and mutually incompatible policies are at work in industry at the present time.** Let us consider, for instance, the railways. What is the object of a railway? (9) That seems to be a simple enough question, but there are quite a number of answers which could be given to it at the present time. If you asked an intelligent child, he would give you, in effect, probably the most intelligent answer which could be given, and that is that the object of a railway is to deliver transportation service; but if you were to ask a truthful employee of a railway, he might say, "The object of a railway is to pay my wages"; and if you were to ask a truthful financier, if there is such a thing, what the object of a railway was, he would reply, "To make profits," and by profits he would mean money profits. (10) Now, two out of three of these answers quite definitely assume that a railway makes money, using the word "makes" in the same sense that we use it when we say that a brick-making machine makes bricks. **But a railway does not make money at all; it makes transportation, and when it sells that transportation in exchange for money it merely gets the money that somebody else had, so that you see there are two quite distinct policies running through the operation**

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THE RISE AND RISE OF THE PRECARIAT CLASS



Website: <http://hat4uk.files.wordpress.com/2013/07/globalunemploygraphpaint.jpg>

WE ARE LED TO BELIEVE: THE ANSWER TO DEBT IS MORE DEBT!

A United Kingdom social creditor, who shall remain nameless, forwarded the above chart with these words: "CRASH 2: Why there better had be an alternative to the current model... or everything will end up in the sewer. Chart can be viewed here at The Slog... <http://hat4uk.wordpress.com/2013/07/18/crash-2-why-there-better-had-be-an-alternative-to-the-current-model/> The ones below the arrow at 7.5% unemployment (roughly the alleged US rate) marked with a red dot are those which have been following austerity policies recently, and/or work to a heavily Globalist Friedmanite economic model. The ones marked with a green dot I have set to one side, as I would say they have socio-economic and political problems that are not really part of the 'mainstream' crisis of neoliberal capitalism: Egypt, South Africa, Argentina and so forth. As you can see, those economies heading south are somewhat replete with red dots. The entire collection of peripheral, central and southern States within the eurozone are represented: and the more 'help' they're being given by Brussels-am-Berlin, the higher their employment rate is.

Only sixteen countries on the planet in 2013 have below 5% unemployment. Only one is in the EU. None of them are pursuing either austerity or Friedmanite neoliberal economic policies. I venture to offer the opinion that what we have here is a failing model, and an urgent need for new ideas about how to stop a quickening spiral down the plughole. **SOVEREIGN DEBT:** Things don't get any better when you look at the Sovereign debt situation. And remember: the current globalist model of mercantilism has at the centre of its philosophy growth by leveraging asset value through debt. 1. Greece 155% : 2. Japan 134% : 3. Cyprus 127% (nb, 18 months ago it was only 81%) : 4. Portugal 112% : 5. USA 108% : 6. Italy 105% : 7. Ireland 102% : 8. France 88% (nb the fastest growing debt during 2012) : 9. Britain 86% : 10. Spain 72%. **Some key points are instructive.** First, eight out of ten are in the European Union. Second, Every eurozone ClubMed member is in there – and 'help' given by the Troika has made the debt worse. Interestingly though, the lowest debt to GDP level in the EU is in Spain: the one ClubMed country that has flexed its

muscles to resist Troika incursions into its domestic affairs. Third, seven out of ten have a debt bigger than their GDP. Fourth, every one of these countries would find their debt unmanageable – and be forced to default – if interest rates rose to even 2.5%. Fifth, three of those nations – Britain, the US and Japan – have engaged in massive QE (quantitative easing...ed) and thus increased their debts. Japan at 134% is second only to Greece, but has just embarked on the most intensive QE + currency devaluation market interventions in history. **But fact number six is the real mind-concentrator:** together this lot account for almost exactly one third of global GDP. The only zero debt-laden giant outside the list, China, is about to slow down towards a hard-landing. And Russia is hugely over-dependent on energy exports to a global economy which needs less and less energy with every passing week. And, um, India just put up interest rates to protect the Rupee. **Oh, and – er, five Wall Street banking firms account for 60% of all known derivatives exposure: Goldman Sachs is leveraged at nearly 100-1.**

(Continued on page 4)

LETTER TO POLITICIANS

Illegal boat people arrivals: Dear Senator, I am gravely concerned about the arrival of more illegal immigrants in Australian waters. This appears to be a well organized campaign to undermine Australian society and successive governments, Labor and Coalition, seem unable to control these arrivals. I offer the following suggestion; that it be made known Australian immigration policy WILL NOT ALLOW people who arrive in this way to EVER BECOME Australian citizens. Yes, they can have humanitarian aid and other assistance but they WILL ALWAYS BE ALIENS as long as they remain in Australia. As 'aliens' they can NEVER take part in the political process and further, they can NEVER LEAVE AND RETURN to gain citizenship. Legal financial aid must be limited or discontinued completely to discourage parasitic lawyers feeding on the plight of these people. I don't care about UN Declarations or 'foreign treaties' entered into by politicians without specific consent of the Australian people and will not be subservient to international regulation. I look forward to your reply, -- Louis Cook, Numurkah Victoria

(Continued from page 3)

But the UK Coalition's leader says recovery is just around the corner, and his Chancellor says "the strategy is working". My advice at this point would be, unequivocally, "Vote Labour" – but for one fact: they clearly don't have a clue what to do either. UKip? Don't really see why we need them any more, as we're obviously going to Brexit anyway. Well, I do see why the Newsories want UKip around – so they can do a deal, and replace Camerlot with themselves... the very people in the UK who most admire the economic model that got us into this less-than-sweet little jam. LibDems? Hahahahaha...

To sum up: Despite this appalling outlook, we need to have a dogfight followed by a referendum about whether to leave easily the most underachieving trade group in the world; the US Congress has a bun fight 24/7 about the deficit; the biggest

bureaucracy in the world, the biggest lender in the world, and the biggest debt collectors in history have (together as the Troika) made every debt situation in which they've been involved worse; not one MSM medium anywhere of which I'm aware is questioning the failure of Globalist mercantilism; everything tried – QE, (quantitative easing) austerity, and Zirp (zero interest rate policy) – has failed... but been repeated/retained; and despite the fact that fully one third of the world economy producers are drowning in debt, debt forgiveness is not on the radar, not even being suggested for the radar, and vociferously resisted by Berlin, Frankfurt and Wall Street. Now does everyone see why, without radical creativity, the game is over? Now does everyone grasp that, without a near 100% clearout of those at the top in global commerce, geopolitics, fiscal control, and energy, the game – once over – will simply turn into a

frozen tableau.... followed by massive social unrest around the world? They are, all of these worthless egomaniacs, wrong, incompetent, denialist, and self-interested censors of what's going wrong. And the MSM are implicated – in some cases, actively complicit – in the censorship. As for the politicians, they're just low-grade hookers. Forget Left and Right – as terms, they no longer matter – and they get in the way. Leave the comfort zone of your tribes. Accept that the coming battle is between big controlling and small vulnerable. Look around for those with whom you can form a Coalition for Decency. Then forget politics, and start trying to use our fiscal and economic power to rid us of these rats. They are carriers of Black Death. United we stand a chance – but engaging in divisive rhetoric and continuing to vote for idiots will get us nowhere other than under the soil."

WALLACE KLINCK - A SANE FINANCIAL SYSTEM IS NEEDED

The above is a useful bar chart depicting a situation which should be cause for great joy, in an economic system overlaid by a sane financial system, that gave due attention to *distribution*, and did not depend upon *incomes distributed via production*. Any nation that needs ninety some per cent of its eligible workforce employed in production, to provide its required and/or desired goods and services, must be a very inefficient nation indeed. If these unemployment figures were accompanied by parallel figures showing a commensurate increasing scarcity of goods and services, then, of course, they would be indicative of real economic malaise--but of course, we know that the exact opposite is true. Business has little, or no problem, in providing goods and services but has, rather, a problem in selling them, which were it not for new "money" created as rising bank debt would be impossible. We are so indescribably rich in the real world and so desperately poor in the financial realm! Quite mad we are! Lunatics and scoundrels abound and control world events. As someone has said, "it does not pay to muzzle the ox that treadeth the grass". Our task is to break the seals

of ignorance so that sane policy may prevail, without the ox going on a blind rampage. Of course, richer nations with more technologically developed and capital-intensive production systems tend to be the most debt-ridden, because allocated capital charges are an increasing component of ultimate prices. *The financial system sabotages the real economy.* **Millions are working in an age of marvellous machinery the whole year round:** The following information is pertinent to the current global political, economic and financial situation. "How is it that in 1495 the labourer was able to maintain himself in a standard of living considerably higher, relatively to his generation, than that of the present time, with only 50 days' labour a year, whereas now millions are working in an age of marvellous machinery the whole year round, in an effort to maintain themselves and their families just above the line of destitution? Why is it that 150 years ago the percentage of the population which could be economically classed as of the middle and upper classes was two or three times that which it is at the present time?

Why is it that while production per man-hour has risen 40 or 50 times at least in the past hundred years, the wages of the fully employed have risen only about four times, and the average wage of the employable is considerably less than four times that of a hundred years ago, measured in real commodities? How is it that the nations are given over to the dictatorship of men of gangster mentality, whose proper place is in a Borstal institution?... You may be interested to know that no Bill can proceed from any department of the Government direct. Every Government Bill has to be drafted by the legal department of the Treasury, which we all know to be in effect a branch of the Bank of England, thus making it certain that no Bill can come before Parliament which interferes in any way with the supreme authority of the Treasury and that private international institution, the Bank of England." -- "The Tragedy of Human Effort" by CH. Douglas, 1936. To read the complete text: <http://www.bankwatch.info/Library/The%20Tragedy%20of%20Human%20Effort.htm>

(Continued on page 5)

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The Critical Moment: "A comparatively short period will probably serve to decide whether we are to master the mighty economic and social machine that we have created, or whether it is to master us; and during that period a small impetus from a body of men

who know what to do and how to do it, may make the difference between yet one more retreat into the Dark Ages, or the emergence into the full light of a day of such splendour as we can at present only envisage dimly. It is this necessity for the recognition of the psychological moment, and

the fitting to that moment of appropriate action, which should be present in the minds of that small minority which is seized of the gravity of the present times. To have a clear understanding of the principles which underlie the problem is essential to those who may hope to play a part in its solution."

-- **The Critical Moment by C.H. Douglas, extracted from his book: "Social Credit," 1st published in 1924.**

To read the complete text: <http://www.mondopolitico.com/library/socialcredit/p3c3.htm>

Social Credit Fragments, 2003-2005 Part II, by Michael Lane December 2005

In creating the credit instruments that claim the goods and services of the entire nation, the banks effectively takes custody of the goods and services themselves. The question then is: What obligations are entailed on the banking system when it becomes custodian of the national wealth? And the answer is, it has the obligation to issue this credit in a social, rather than an antisocial, way - social credit.

<http://www.alor.org/Triumph%20of%20The%20Past/Social%20Credit%20Fragments%20Part%20II.htm>

WHAT OF THE PLIGHT OF THE PRECARIAT IN THIS 21ST CENTURY?

Professor Guy Standing of Bath University wrote, "Broadly speaking, while the old classes persist in some parts of the world, we can identify seven groups. At the top is *an elite*, consisting of a tiny number of absurdly rich global citizens lording it over the universe, with their billions of dollars, listed in Forbes as among the great and the good, able to influence governments everywhere and to indulge in munificent philanthropic gestures. Below that elite comes the *salariat*, still in stable full-time employment, some hoping to move into the elite, the majority just enjoying the trappings of their kind, with their pensions, paid holidays and enterprise benefits, often subsidised by the state. The *salariat* is

concentrated in large corporations, government agencies and public administration, including the civil service. Alongside the *salariat*, in more senses than one, is a (so far) smaller group of *proficians*. This term combines the traditional ideas of "professional" and "technician" but covers those with bundles of skills that they can market, earning high incomes on contract, as consultants or independent own-account workers. The *proficians* are the equivalent of the yeomen, knights and squires of the Middle Ages. They live with the expectation and desire to move around, without an impulse for long-term, full-time employment in a single enterprise. The "standard employment relationship" is not for

them. Below the *proficians*, in terms of income, is a shrinking "core" of manual employees, the essence of the old "working class". The welfare states were built with them in mind, as were the systems of labour regulation. But the battalions of industrial labourers who formed the labour movements have shrivelled and lost their sense of social solidarity. Underneath those four groups, there is the growing "*precariat*", flanked by an army of unemployed and a detached group of socially ill misfits living off the dregs of society. The character of this fragmented class structure is discussed elsewhere.[2] It is the *precariat* that we want to identify here.

The precariat explained: <http://www.eurozine.com/articles/2013-04-19-standing-en.html>

A PERSONAL BASIC INCOME FOR ALL

Geoffrey Dobbs wrote on C.H. Douglas' 1924 specific proposal for a National Dividend, "though never as an inflexible objective or a panacea, always as part of a package accurately designed to cancel debt, prevent inflation, and to decentralise financial control of production to the consumers."

The important point that Geoffrey Dobbs noted was that Douglas' proposals were based on Real Wealth not just on Political Debate. He continues: "In the *real* world of production and consumption the *cost* of producing something is the labour, energy and materials used in its production. When the job is finished it

has, in real terms, been paid for. Thus the capacity for 'overproduction' (in terms of current money incomes) which would in the first place form the substance for distribution as a Basic Income for all, *has already, in real terms*, been paid for. **But no so in monetary terms.**

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