A WEEKLY COMMENTARY

ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"..... The best brains of this and every other country in the industrial and scientific field are working as though they recognised their objective to be the replacement of human labour by that of machines ..... These best brains are endeavouring to put the world out of work, to create what is miscalled an unemployment problem, but what should be called a condition of leisure."*

C.H. Douglas, ***"Warning Democracy"***

THE REGENERATION OF A DYING CIVILISATION by Eric D. Butler:

Amidst the carnage of the First World War, troops from both sides laid down their arms, came out of the trenches and no-man's land echoed to the singing of Christmas carols, a dramatic event which demonstrated that even those engaged in what in essence was a Civil War sought to remember their common Christian heritage.

At a time when the clatter of cash registers reflects the gross materialism of our times, and the politicians prattle about a new wave of prosperity, it is appropriate to quietly reflect upon the fact that yet another great Civilisation is dying, not to grovel in apathetic pessimism, but to grasp the message of hope which practical Christianity offers.

That master of the use of paradox to illuminate Truth, the famous Christian writer, G.K. Chesterton, said that the state of the world was the great hope for the world. He observed that the man who jumped over the cliff not only violated a basic law known as gravity, but also demonstrated the truth of that law. The state of the world demonstrates that there has been a violation of basic natural law in many areas of man's activities. The best features of Western Civilisation were built upon the acceptance of law rooted in the absolute known as God and the Christian revelation.

While it is true that there is general agreement that the First World War marked the end of an era and had dealt a shattering blow to Civilisation, at the end of the conflict it was the emergence of a rare genius, Clifford Hugh Douglas, who not only fine-pointed the basic cause of the First World War, but warned that there would be further conflicts with the ultimate death of Civilisation unless basic defects in the finance-economic system were corrected. Douglas soon discovered that evil in the form of the will-to-power was a manifestation of a permanent feature of reality, which had been summarised by the famous British Christian philosopher and historian, Lord Acton, who said that all power tends to corrupt and that complete power corrupts absolutely.

This absolute was ignored by the secular liberals who exploited the effects of the First World War, one of these being a widespread loss of faith in a Christianity which appeared to have failed. Faith in a loving God was replaced by faith in a new god, that of internationalism with Man invited to worship a new diety known as the League of Nations. The world is currently dominated by many different manifestations of faith in a diety by which man can allegedly solve all his problems: Worship of the State has replaced worship of a loving God from whom Man can achieve "perfect feedom". Compulsion by the State and its numerous creations is the basic cause of a dying centralised civilisation; power drains the individual of the power of creative initiative.

But the good news that Civilisation can be regenerated by individuals who, having grasped the essence of the Christian revelations, start to apply it in their lives and their relations with their fellows. Every defect of centralised power is a step in the right direction. The writer suggests that the Christmas Season is an appropriate time to reflect upon the good rather than undue concentration upon evil. We should never lose sight of the truth, summarised by the great South African lyric poet, Roy Campbell, that undue concentration upon evil can result in man tending to become that which he resists.

BORROWER SERVANT OF THE LENDER by Jeremy Lee:

As ***On Target*** goes to press for the last time in 1998, and all Australians of goodwill look forward to the Christmas break and the relaxation from worldly cares associated with family-reunions and leisure, it is also a time for review.

Australia, with all its problems, is still a pleasant place to live. Thankfully, we have avoided the ghastly excesses seen in the world's major trouble-spots. Not that we really deserve to have done so. Considering the incredible natural resources we have, and the heritage bequeathed to us, we are abysmally governed. Our politicians seem unmatched in their ability to make a "sow's ear" out of a "silk purse" – congratulating themselves as they do so.

There's a lot of self-praise in Parliament at the moment, not least from the Treasurer. Such terms as "miracle economy" and "amazing Australia" are bandied about.

Terry McCrann, in ***The Weekend Australian*** (12-13/12/98), quotes former Keating adviser and biographer John Edwards attributing the "miracle" to: *".....fifteen years of painful economic reform. Without the 1983 float and financial deregulation, without the 1988 and 1991 tariff cut schedules, without strong national securities and competition laws . . . . . we would not now be seeing exceptional economic growth while around half our export market is in recession . . . . ."*

McCrann agreed with the summary, suggesting that all that had happened had increased Australia's productivity, the only way to a prosperous future. He was scathing about an alternative view published by ***The Age***, which was concerned that increased productivity had not translated into jobs. ***The Age*** had suggested that technology was creating unemployment, with the implication that less technology would be a good thing. While McCrann dismissed this "Ludite" thought-pattern, his own prescription was no better.

". . . . . Financial deregulation, tariff cuts, enterprise bargaining, investment in plant and equipment and infrastructure, in quantity and technological depth, help build productivity.

"And, absolutely crucially, destroy jobs. The best way – the only way – to create more jobs, better jobs, higher paid jobs, healthier jobs, is to destroy existing jobs. That's exactly what we've been doing for the past 2000 years, although we've been doing it better, on and off, for the past 50 . . . . ."

McCrann neglected to add that, for every "better, higher-paid, healthier job" created by technology, two, three or four "existing" jobs are destroyed. The better, higher-paid, healthier jobs are shared by a diminishing percentage of the population, while a growing percentage is relegated to poverty. That's globalism. And it presents us with the greatest issue for contemplation this Christmas, having much to do with the Christian message.

What is our productive system for? To provide each person in society with consumer goods as easily, efficiently and as constructively as possible? Or is it a machine which must be driven into perpetual expansion in order to provide jobs? The two alternatives are incompatible. It's either one or the other. The first man this century to analyse the problem in depth, starting from the position that a creative and purposeful life for each person was the right, and Christian, position, was the engineer C.H. Douglas. Is "life more abundant" an end in itself? Is it the exclusive prerogative of the "captains of industry"? Or is it something to be shared by all? If so, we have gone backwards – not forwards – in the last half-century.

A PRICE TO BE PAID: In fact, the prosperous situation leading economists and treasurers talk about "miracles" is an illusion. In a recent ***On Target*** we referred to the staggering growth of household debt in Australia. Unlike the Japanese, whose natural caution leads to a refusal to borrow when things are depressed, Australians live very much for the moment, putting off any thought of the price to be paid. The psychology that debt is the only way to live is now deep in the Australian ethos. It was well-expressed in an article by David Tomlinson in Queensland's ***Courier-Mail*** (12/12/98):

"World financial crisis? What crisis? Australian consumers have shrugged off the predictions of gloom and recession and, like their American cousins, embarked on a spending spree.

"According to the latest figures, the Australian economy grew by a remarkable five percent in the year to September led by – you guessed it – much stronger than expected household consumption.

"The recent cut in interest rates by the Reserve Bank, although modest, appears likely to keep this sentiment high.

"But a lot of this spending is going on the never-never.

"At the end of September this year, credit card debt in Australia topped $10 billion for the first time ever and there are no signs that the spending binge is slowing down.

"Although the annual inflation rate is running at less than 2 percent at present, the amount outstanding on credit cards alone has risen by more than 11 percent in the past 12 months and by more than 30 percent in the past two years.

"As a result, retailers are expecting a bumper Christmas shopping period and bankers are expecting higher profits from the increase in debt.

"This rise in debt is starting to worry economists and those who have to deal with bad debts.

"It has been described in the past as a potential time bomb that will explode when interest rates start to rise.

"According to consumer organisations and those who deal with credit problems, the best thing to do with your credit card is to cut it up and dispose of it thoughtfully . . . . "

While, of course, this might deal with an individual problem, it doesn't answer the overall dilemma. If the only way to achieve "growth" is by allowing or encouraging deepening debt in the community, then Depression is the only way to slow the process. Hence, "boom-or-bust".

A more accurate picture of what starry-eyed Treasurers see as the "miracle economy" looks like this:

- One third of the Australian population living on or below the poverty-line, with welfare agencies overrun by casualties;
- Household debt in Australia over $270 billion (September), an increase of 13 percent over the year. Average household debt for every man, woman and child in Australia, $16,000, or $64,000 for the average family of four;
- Credit card debt passed the $10 billion mark for the first time – an 11 percent increase in the last year, and a 30 percent increase in the last 24 months.
- Australia's net overseas debt currently $202 billion (it fluctuates up and down with the shift in exchange rates), an average of $11,000 per head, and now beginning to escalate as exports drop and cheap imports from desperate Asian exporters flood in;
- Ever-increasing foreign ownership of assets, as governments continue to sell them in an effort to stave off debt. Ninety percent of corporate Australia foreign-owned.

These are just a few of the signs as we approach 1999. Our sublimely-optimistic Treasurer likes to describe the Australian economy as "a beautiful set of numbers". Personally, we think it more like the gentleman who leaped off a high-rise building and, as he passed the half-way mark, was heard to shout, "Alright so far!"

THE BRIGHT SIDE: Everywhere, there are signs of an awakening. The flight of voters from the two-party system, evident in the last Federal election although it did not translate into seats, is going to find some form of expression, however much the national media may scoff and the politicians hope otherwise.

The active concern in many rural communities over the closure of branch-banks, and the increasingly well-informed search for viable alternatives, is the precursor to growing co-operation at the grass-roots, as people find each other at local level.

The first signs of some sort of activity in churches – even though it has a long way to go – is the beginning of change. Just as people are turning away from political parties, so is there also a much-travelled pathway between and around church denominations.

The complete arrogance of the giant trading banks, quite prepared to trample over their own customers in a gluttonous search for profits, is building its own opposition. As C.H. Douglas said, "Every action builds an equal and opposite reaction".

Above all, the trauma of events will themselves wake people up as nothing else can. In Chesterton's words, "The plight of the world is the hope of the world".

Yes, there are causes for hope as we reach towards 1999 and the turn of the century.

OPPOSITION TO THE BANKS: ***The Australian Financial Review*** (30/11/98) reported that consumer advocates are now considering legal action against the massive increase in fees and charges instituted by the major trading banks. It said a Sydney-based consumer organisation, the Financial Services Consumer Policy Centre, was publishing a report, due to be released in January, cataloguing many examples of collusive pricing in the banking sector over the past five years. A spokesman for the Association, Mr. Chris Connolly, was quoted as saying that a case against the banks' actions was being prepared for presentation to the Australian Competition and Consumer Commission. The article said:

". . . . . Commonwealth Bank of Australia recently lifted fees on withdrawals from automatic tellers by 30 percent and over-the counter withdrawals by 25 percent. These increases follow moves by ANZ and St. George last month to increase account service fees. Westpac has indicated that its fees are being reviewed again – despite increases of up to 100 percent on personal transactions over the past year . . . . ."

LOCAL GOVERNMENT GETTING ACTIVE: The closure of bank branches, which has produced a flood of activity at local level in various parts of Australia, has finally prodded the Local Government Association in New South Wales to take action. It is obviously receiving a lot of feedback from local councils.

We haven't always agreed with Alderman Peter Woods, the President of the NSW Local Government Association. He has been a leading light of the regionalisation movement, and was a former President of ALGA. But he has certainly hit the nail on the head in his views about banks. ***The Australian Financial Review*** (30/11/98) reported:

". . . . . The LGA's NSW president Mr. Peter Woods, said councils were no longer going to stand by and let banks do as they pleased without any regard to the people.

"'We're not just going to have the traditional banking system deciding to close down branches, deciding to increase fees without regrd for the people,' he said. 'They will be held accountable. And if the Federal Government is not prepared to take action to regulate the industry on behalf of the people, then the people will take charge through their local governments . . . . .'"

We couldn't agree more! But we can't help feeling Peter Woods is running an awful risk. Keep on talking like that, and some Federal politician or other – we wonder who? – is going to accuse him of being an associate, or even a member, of the League of Rights.

A task force is being set up, including representatives of local councils to examine options and report back to the LGA by March.

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