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: *"Without free speech, no search for truth is possible; without free speech, no discovery of truth is useful, without free speech, progress is checked, and the Nations no longer march forward, toward the nobler life which the future holds for man. Better a thousand fold abuse of free speech, than denial of free speech. The abuse dies in a day, but the denial slays the life of the people, and entombs the hope of the [human] race."*

– Charles Bradlaugh, quoted in "Friends of Freedom Newsletter", Western Canada, January, 2002

TRUE VALUE HIDDEN by Jeremy Lee:

As nation after nation is transfixed and mesmerized by the onslaught of national and international debt, few indeed are the economists with initiative enough to ask how, in a world marked by industrial innovation undreamed of in history, such debt can exist.

Most are aware of the $330 billion Australian foreign debt. But the US runs up a similar amount *annually*!

Japan's banking debts threaten to sink the country. Canada's debts have the country by the throat. Argentina has *everyone* crying. Russia is in third world status; and the Third World itself is, in essence, bankrupt. Yet governments and international agencies proceed as though this was the norm, and that they have some magical formula for sufficient growth to surmount the debt mountain, which largely involves enough exports via a 'free-trade' system. The fact that exports have been changed from a mutually-advantageous exchange of goods between nations into a war-marked series of trade battles in an effort to get ahead of the tide of debt is never acknowledged by those who shape the world's destiny on their computers.

The Australian Bureau of Statistics has produced an interesting snapshot of the nation, which should be compared with the debt-figures we listed last week. ***The Sunday Herald Sun*** (27/1/02) described it thus:

"Australia has been valued at $2230.2 billion (i.e.$2.2 trillion - Ed.) *in a statistical snapshot of the nation.*

"The Australian Bureau of Statistics also found we are working harder, volunteering more, marrying later, not going on strike as much, but we are committing more crime.

"The country's worth, calculated in the annual review, was set at $2926.9 billion (i.e. $2.9 trillion - Ed.) *before debts, a 25 percent increase on a decade ago.*

"That included land valued at $815.9 billion, mineral assets at $117 billion, and trees at $2.3 billion.

"Farms were valued at $6.5 billion, livestock at $5.2 billion and the inventories held by public authorities at $3.6 billion.

"Computer software was said to be worth $21.5 billion, a fivefold increase since figures began in 1992.

"Our homes are worth $555.9 billion, while the buildings we work in, the bridges we drive across and the footpaths we walk on are valued at $679 billion.

"Machinery and equipment is valued at $327.9 billion, but our entertainment, literary and artistic originals are valued at only $500 million.

"While Australia's total assets have climbed 25.7 percent in ten years, our total liabilities to the rest of the world have jumped 94.7 percent to $596.7 billion ....." *(emphasis added)*

It would only take a few extra steps to extend these figures into a fully-fledged national balance sheet, which would give us all a better picture of where Australia is heading. We would need to compare the figures for the appreciation and depreciation of our capital assets – how quickly our homes, machinery, roads and bridges, etc., are wearing out compared to the rate at which we are carrying out maintenance and repair and expanding. How much we are consuming, compared to what we are producing. We would need to have an accurate picture of our trading position – how much mineral, agricultural and productive wealth (including knowledge and research) is exported, compared to what we are importing. We would need, in fact, the extra details for a genuine "Australia Pty Ltd" Balance Sheet.

But the figures above tell us some things: Twenty million Australians in this island continent own assets worth an average $146,000 per head (man, woman and child, or $584,000 for the average family of four). They also owe the rest of the world an average $35,000 per head, or $140,000 for the average family of four.

The value of our farming land, plus all the livestock in Australia is valued at *about half* the value of the computer software in the country!

And our debts are increasing at almost four times the rate of our assets. If we work on a nice round figure of 5 percent interest, we are paying the 'rest-of-the-world' just under $30 billion annually in interest – about $1,500 for each man, woman and child.

What makes the whole thing illogical and meaningless is the fact that we try to measure this enormous abundance in currencies which only come into existence as interest-bearing debt. No nation or community is ever CREDITED with the real value of assets at its disposal.

This is why the analysis by C.H. Douglas, known as Social Credit, made 80-odd years ago, is of such vital importance. He pointed accurately to the accounting fallacy involved in the way we run our money systems, which deny humanity the sufficiency, joy and harmony the real world offers. He went on to describe the war, starvation, poverty and misery which would result if this was not corrected. And he concluded that the necessary correction was being withheld because of the enormous advantages and power it offered to those who controlled the money system.

<u>THE DESTRUCTION OF THE FAMILY FARM</u>: One result which appeared through the figures given above is pictured in the rural decline. The latest figures show the Australian farm debt as over \$26 billion. Yet all the agricultural land, plus all Australia's livestock are valued at \$11.7 billion - well under half the farm debt. In other words, the average farmer owns less than half what he owes. Farmers between them pay \$2 billion annually in interest. As it has for many years, the debt goes up and the number of primary producers go down. ***The Herald Sun*** (26/1/02) said: *"Australia's total rural and regional population has dwindled in the past century from 43 percent in 1911 to 14 percent in 1996 ...."*

These figures are never honestly faced by establishment farm organizations, or that set of heroes known as the National Party.

<u>NEW ZEALAND WAKING UP?</u> New Zealand prime minister Helen Clarke is doing a better job than some in an effort to resuscitate the New Zealand economy. Her government has started a "peoples' bank", which has been derided by the conventional orthodox. She is now moving to save what's left of New Zealand's farms.

The Australian Financial Review (30/1/02) reported: *"The New Zealand Government has tightened controls on the sale of farms to foreigners, ordering that they be offered for sale to local buyers first..*

"The law, which comes into effect on Friday also tests whether a foreign sale of farmland will bring 'sustained and identifiable' benefits to New Zealand or to the local region before it can be approved.

"The rule tightening comes 18 months after the Government instructed the Overseas Investment Commission to stop rubber-stamping foreign purchases of farm properties ...."

What a quaint, old-fashioned but excellent idea! Meanwhile, the Howard government forms "Invest Australia" to attract more foreign money and takeovers.

<u>REFUGEE AND WAR ON TERRORISM COST BLOWOUT</u>: Inevitably, the ongoing saga of refugees, damage to detention centres, and Australia's military role in Bush's war on terror has blown out costs in the Defence and Immigration Departments. ***The Australian Financial Review*** (30/1/02) started its front-page article:

"The Federal Government faces major new pressures on its Budget bottom line with the defence and immigration departments pushing for more than \$1.8 billion in extra funding to pay for the Coalition's policies on security and asylum keepers ...."

Apparently, about \$590 million is needed for the remainder of this financial year alone – the next five months.

As President Bush claims that hostilities have ceased in Afghanistan, it surely would be sensible to allocate this sort of money to returning Afghan refugees to their own country, where the terror from which they fled is – so it is said – no more, and providing housing and amenities for them to get them back on their feet.

<u>A SIGN OF HOPE</u>: While the much-publicised World Economic Forum is taking place in Manhattan, attended by the thousand members plus well-known government leaders, another conference has gained virtually no publicity. This is an anti-globalisation summit, known as the World Social Forum, being held in Porto Alegre, Brazil, which starts on February 1st, running for a week. Among those attending will be a strong delegation of government ministers from France, where there is growing social hostility towards globalisation. ***The Australian Financial Review*** (30/1/02) said: *"...According to an opinion survey published this week by polling institute CSA, 68 percent of the French population* *feels either hostile or anxious about globalisation, up from 61 percent in a similar survey two years ago."*

Our betting is that similar figures would apply in a growing number of countries – especially as people gradually realize their own governments are having their authority stripped from them.

JAPAN CONTINUES TO SLIDE: Japan's unemployment figures are now up to 5.6 per cent – that's over 6 million workers – the highest since recording began in 1953, and almost triple the average 2 percent the country has averaged since then. 220 thousand people lost their jobs last month alone.

"Echoing warnings by market economists, the Finance Minister, Mr. Masajuro Shiokawa, said there was little prospect of an early reversal in the unemployment trend. They will probably continue. Businesses have just started to restructure,' he said." (***AFR***, 30/1/02).

In another article by Florence Chong, she claimed any further deterioration in Japan would trigger a major currency crisis throughout South-East Asia.

CANADIAN SUPREME COURT ON REFUGEES: The recent decision by the Supreme Court of Canada on suspected terrorists and deportation to countries suspected of torture is interesting since it sets a trend ever deeper into the legal process. It might be called abdication of judicial responsibility. It might be called 'discretionism' as it gives more and more discretion to the bureaucracy to basically make whatever decision they may want, based on the facts as they find them.

The two cases to which reference is made, are the Tamil Tiger Manickavasagam Suresh, 46, of Sri Lanka, and Mansour Ahani, 27. The two cases produce different results for the immigrant. In either case, Ministerial discretion is strengthened and no clear stand is taken in principle which could give persons a clear indication of where they will stand with the authorities. A case-by-case basis discretion with no clear principles is an open invitation to bribery and corruption and entrusts faceless bureaucrats once again with enormous power of virtual life and death over immigrants. A cynic would say the price of admission just went up.

The Supreme Court of Canada also pronounced these words to clarify what refugees constitute a serious threat to national security. It would be "setting the bar too high" to require the government to show there is a direct threat to Canada "Rather, it may be grounded in distant events that indirectly have a real possibility of harming Canadian security. It may have made sense to suggest that terrorism in one country did not necessarily implicate other countries, but after the year 2001, that approach is no longer valid."

The implications of this decision are startling. It seems to give wide discretion and no guidance to future judges on principles of real danger to Canada. It seems to let judges assess such things as "real possibilities" – what are those? It seems to leave "harming Canadian security" undefined. Does this mean embarrassing or irritating our allies?

Finally, and most startlingly, does the last quoted portion not indicate that what courts regard as common sense ceases to be so on the single act of terrorism which clearly was conducted by people against another country than our own for reasons unique to that country?

The court seems to have become so politically sensitive that it ceases to hold fast to any clear principles. Parliamentarians are politicians. When Judges act politically, where do we turn for principles? A moral vacuum which exists in Canada is bound to produce more political discretionary decisions, whose principles are vague or inscrutable. Vague laws create confusion, fear and oppression.

Election comment is authorised by B. Luks, 145 Russell Street, Melbourne

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