A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

Print Post Publication Number 381667 00258

Vol.38, No.31 August 16th, 2002

THOUGHT FOR THE WEEK: *"Christendom and Pride: Christendom has a new battle before it; no longer with the Scorn that was called Scepticism; no longer with the Envy that was called Divine Discontent; but with something much less mixed with sympathetic elements than any of these: with that primeval Spirit and Prince of the Powers of the world which it came upon earth to defy.*

"The Freethinkers of the future will care nothing for freedom and very little for thought. They will tell us that thought must be subject to will; and that will is whatever they want, or whatever they want it to be... the new sceptics will be more sceptical of democracy than of anything else. The Church will defend all that is left of democracy; as in the last century she defended all that was left of loyalty. A Pagan pride, freed from democratic as from religious restraints, is the next foe we have to face; and it may be hoped, in whatever form, that we shall all face it together."

"Pacifism and Cynicism", by G.K. Chesterton, 1930s

MONEY SUPPLY by Jeremy Lee:

If we are to believe the present financial theology, Brazilians may be able to escape the anarchy and despair in Argentina if somebody in New York presses some computer keys and transfers some numbers, equivalent to what we call $3 billion United States dollars, to another computer in Rio de Janeiro. Once this has been accomplished, Brazilians will be able to eat the food their farmers have produced in abundance, buy clothes, sleep in their own beds sheltered from rain, hail, etc.

If the computer keys are not pressed, they will be reduced to starvation and despair – no matter that exactly the same amount of provisions exist to the nearest grain of sugar and the same number of coffee beans!

Is it the computers that control life? Or the numbers typed on them? However it's portrayed, it's called MONEY. It doesn't matter if there's enough, and more, in physical goods and services to go round. If there are not enough figures called MONEY to go round, then everybody starves.

But there's more to it than that, apparently. If the numbers are called "Reals" (the Brazilian unit of currency which has dropped to record lows in recent months) then the magic doesn't work. But if they are called "Greenbacks" (the US unit of currency which is scaring the daylight out of investors round the world while the biggest 'bubble' in world history is bursting) then the Sun will shine on another Brazilian day.

Undoubtedly, this is a financial 'ju-ju' mystery that flummoxes common sense. Brazil is bigger in area than the United States, with 172 million people. Among its industries are listed: Steel, autos, textiles, shoes, chemicals, machinery, coffee, soybeans, sugar, cocoa, rice, corn, wheat, citrus. It has 7.4 billion barrels of crude oil in reserve. It has 163 million cattle (twice as many as Australia). It has 28 million pigs and 18 million sheep.. It has 18,000 miles of rail and 139 airports.

Brazil has enough – as do its neighbors – to provide its citizens with "the good life". There is enough for all; *except for those wretched computer figures!* ***The Australian Financial Review*** (7/8/02) reported: *" ...The IMF and Brazil are discussing assistance for the country, now in its fourth year of recession, as investors fret it may default on its R1 trillion ($560 billion) debt.*

"Analysts say Brazil requires an additional $US20 billion ($38 billion) because its $US16 billion package expires in December and it has just $US1 billion remaining. Other economists expect the IMF to extend its credit line through to the end of the year.

"As the IMF's largest shareholder, the US wields an effective veto over its lending ...."

The same situation exists in Argentina, Venezuela, Uruguay and Peru. In other words, a complete continent is being strangled and paralysed for lack of computer figures.

Australia might ponder this as New Guinea to its north goes belly-up, and the Solomons sinks into bankruptcy.

The AFR (7/8/02) said: *"Papua New Guinea, the principal beneficiary of Australian largesse, is on the edge of failure, despite all the aid and a rich natural resource base that includes gold, copper, oil and gas, large areas of arable land, extensive tropical forests and fisheries ...."*

In fact, according to The World Almanac, Papua New Guinea's less than 5 million people have 330 million barrels of oil in reserve, 3.6 million chickens, 1.5 million pigs, 105,000 cattle, etc. <u>There is enough for everybody in Papua New Guinea</u>!

Meanwhile, in the Solomons, *"the country is effectively bankrupt, with hospital staff, teachers and other public servants unpaid for months. Exports have collapsed, and the Government has depended for survival on loans from Taiwan ...."*

Riding in like Tonto is, of course, the International Monetary Fund. ***The AFR*** added: *"The International Monetary Fund is next week sending a team to the Solomons, to negotiate a rescue package in its role as lender-of-last-resort. Part of the package is to replace the local currency with the Australian dollar, Solomon Islands Finance Minister Laurie Chan said yesterday ....."*

The Solomons, with a population smaller than that of Brisbane, produces copra, coconuts, rice, cocoa and beans. It has gold and bauxite. It has a significant tourist industry and exports worth $84 million. Perhaps it has no computers capable of producing magic figures. So it will end up losing its sovereignty and using Australia's.

AUSTRALIA'S MAGIC FIGURES: Australia seems to have no problem churning out money-figures on computers. After all, it has been described by the World Bank as the richest country, resource-wise per capita, in the world. In the six years since the Howard government came to power, money creation has slowed slightly, but still managed to increase the Volume of Money from $292 billion to $472 billion in June of this year.

The average increase over the Howard period has been over $100 million per day. With an estimated population of 19 million the increase in the Volume of Money over the period has been about $10,000 for each man, woman and child in the country, or $43,600 for the average mother, father and two children.

Our computers seem to work very well!

These are the figures:

VOLUME OF MONEY IN AUSTRALIA

YEAR	M_3 ($)	$ INCREASE	% INCREASE
June 1995	265 billion		
June 1996	292 billion	+ 27 billion	+ 10%
June 1997	323 billion	+ 31 billion	+ 10%
June 1998	343 billion	+ 20 billion	+ 7%
June 1999	378 billion	+ 35 billion	+12%
June 2000	409 billion	+ 31 billion	+ 9%
June 2001	437 billion	+ 29 billion	+ 8%
June 2002	472 billion	+ 35 billion	+ 8%

(Source: Reserve Bank Bulletin figures. Figures have been rounded for ease of comprehension)

About 5% of this increase has been notes and coin (cash). The rest has been intangible credit – simply figures churned out by computers in the form of interest-bearing loans. In other words, we have attempted to borrow our way into the future, operating a system where debt and interest always increase at a faster rate than the means to repay it.

When our turn comes, who will we contact overseas to lend us some of their computer-generated money? Judging by recent events the United States may not be in a position to extend loans of US dollars. So who will we ask? Japan? Iraq? Or perhaps the Palestinians?

Who owns the computer-generated money systems? In other words, who are the world's mortgagees? Now *there's* a question that needs answering!

DREAM-TIME: Let us imagine a wise and kind Treasurer had done something different over the period since the Howard Government arrived. Let us suppose that he allowed exactly the same Money-Supply increase of $100 million a day. Let us imagine a Treasurer with the courage to tell the existing money-creators that new money no longer belonged to them, but to the Australian people. And, finally, let us suppose he injected the $100 million a day into cost-cutting instead of cost increases.

He would have a lot of options: he could abolish Payroll Tax, Sales Tax and the GST. He could set up an Emergency Fund and Fodder Banks to save drought-threatened farmers. He could wipe the debts of Australia's public hospitals, thus getting them up and running again. He could make sure Australia's hard-pressed Defence Forces had enough bullets to practice before battle (for defending Australia, not attacking other countries).

He could abolish taxes on fuel. If necessary, he could extend permanently and enlarge the First Home Owners' Grant. He could offer every Australian a wage-increase (whether he or she was employed or not) in the form of a debt-free bonus on true production, or in the form of a dividend.

He could bring back the comfortably-off one-income family; and would find, to his surprise, that the current disastrous Australian birth-rate would start to rise again. Small, Australian-owned farms and manufacturing industries would re-emerge. Our import bill would drop, our Current Account Deficit would disappear and our Foreign Debt begin to plunge downwards.

There would be less crime and suicides. As hope among young people was re-kindled, the drug crisis would diminish.

And all without creating any more money than at present. But the crazy escalation of debt, producing funding crises across the nation, would subside year by year.

He could change his loyalty from the Debt-driven, globalist world of bankers to the people he is destined to serve – the Australian people. And he could regain his own self-respect.

All these possibilities, for the moment, seem impossible. But normally-complacent people are apt to learn very quickly when struck by crisis.

The learning-curve of ordinary Australians has already begun.

ALAN GREENSPAN TO BE KNIGHTED: According to Associated Press, 6th August 2002, Federal Reserve Chairman Alan Greenspan is to receive an English knighthood.

"He won't get to call himself 'Sir Alan' but Federal Reserve Chairman Alan Greenspan – often known as the second most powerful man in the United States – will get another title: knight." Queen Elizabeth II has approved an honorary knighthood for Greenspan's "outstanding contribution to global economic stability," the British Treasury announced. Greenspan will receive the award when he next visits the United Kingdom.

"I am most privileged to accept this honor," Greenspan said in a statement. "I have valued my close relationships with the Bank of England and with many Chancellors of the Exchequer, going back nearly 30 years," he said.

The award also recognises "the benefit that the UK has received from the wisdom and skill" with which Greenspan has led the Federal Reserve Board, the British Treasury said. Greenspan will mark his 15th year as chairman of the Federal Reserve Board on August 11th this year.

We are told "American citizens admitted to British Orders of Chivalry do not get the right to be called 'Sir', but Greenspan will be entitled to place the letters KBE – for Knight Commander of the British Empire – after his name, the British Treasury said."

Notice the reference to "the benefit the UK has received from the wisdom and skill" of Greenspan. That is typical abstractionism. What it should read is: the award recognises the benefits received by those who control the Bank of England and the UK's money supply from the wisdom and skill of Alan Greenspan, Chairman of the Federal Reserve Board, the private international banking monopoly which, among other things, controls America's money supply.

"ON TARGET" is printed and published by The Australian League of Rights, 145 Russell St., Melbourne.
Postal Address: GPO Box 1052, Melbourne, 3001. Telephone: (03) 9650 9749, Fax: (03) 9650 9368.
Subscription $40.00 p.a.