



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: *Probably the future of humanity turns on the answer to a single question: "Does Social Power proceed from within, or does it reside in guns, tanks and aeroplanes?"*
- C.H. Douglas in *"The Big Idea"*, 1942

HOWARD'S BACK FLIP DEMONSTRATES ITS TRUTH from Don Auchterlonie:

Former M.P. Ted Mack and Mr. Peter Andren M.P. have campaigned for years for reform of the superannuation of politicians. Mr. Howard's action demonstrated the truth of Thomas Henry Buckle's words when he said in 1867:- "No great political improvements, no great reform, either legislative or executive, has ever been originated in any country by its rulers. The first suggestions of such steps have been by bold and able thinkers, who discern the abuse, denounce it, and point out how it can be remedied.... At length, if circumstances are favourable, the pressure becomes so strong, that the government is obliged to give way; and, the reform being accomplished, the people are expected to admire the wisdom of their rulers, by whom all this has been done..."

THE WORLD IN CHAINS: It is nigh on eighty years or more since Clifford Hugh Douglas got the attention of many of his countrymen in the United Kingdom by insisting: "We are starving in the midst of plenty" and suggested that rather than the banking system have a 'monopoly of credit', the solution to the problem of DISTRIBUTING THE PLENTY was for a dividend - A REGULAR DISTRIBUTION OF CREDIT, i.e., PURCHASING POWER - to be issued to every citizen of the nation as part of his/her cultural inheritance.

In "The World in Gold Chains" in the Manchester Despatch he wrote: "The greatest factor in the creation of real wealth is the cultural inheritance of civilisation - scientific knowledge, tools, processes, organisation, and so forth. A second factor is that of raw materials, and especially solar energy and a third factor, of diminishing importance, is that of labour. This cultural inheritance is beyond dispute the birthright of the community (that is each and every one within the community ...ed) and not any section of it."

Summed up he insisted:

- The crisis, the poverty, the mental and physical stress of these times are in a certain sense artificial.
- Many are starving in the midst of plenty.
- It is not goods and services which are lacking, it is the money with which to buy the goods and services.
- The 'problem' is described as an unemployment crisis, whereas a little consideration will make it

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clear that our scientists, our organisers, and our engineers have been engaged for hundreds of years, and successfully engaged in producing this so-called 'unemployment' crisis.

- The 'unemployment problem' is really the successful transfer of economic labour from the backs of men on to the backs of machines.
- That is what we have been trying to do, for centuries, and that is what we have succeeded in doing. The machines are capable of making the goods, but the unemployed cannot buy them **BECAUSE THEY LACK MONEY.**
- A situation which should be one of freedom and leisure, appears disguised as one of economic catastrophe.
- The actual and potential wealth of the world is demonstrably beyond all the requirements of the highest standard of living for the whole of the population.
- What do our politicians and 'inspired' press keep harping on? That we cannot afford even our present standard of living, that our taxes must be increased.
- That we must work harder and our social services must be curtailed. That the wages of labour must be cut down. (This sounds very familiar! Yet it was written eighty years ago!...Are the politicians political dinosaurs or are they political dinosaurs? ...ed)
- Which means, in effect, we have less money to spend on our personal requirements and draw less upon the real wealth of the country.

Two claims – but which one is true?

First, on the one hand, that the world is rich and getting richer (which is the claim of the engineer and the scientist).

And, on the other hand, that it is poor and getting poorer (which is the claim of the financier and his protagonist, the orthodox politician) cannot at one and the same time be true.

In spite of every hindrance put in the way of him understanding these facts, the man in the street is arriving at the conclusion; the scientist is right, and the financier is wrong!

BRAZIL INTRODUCES BASIC INCOME GUARANTEE: It was encouraging to read the "Federative Republic of Brazil has become the first national government to introduce a basic income guarantee (BIG). On January 8th, 2004, President Lula signed a law decreeing the gradual introduction of a universal basic income for all Brazilian residents. The phase-in will begin in 2005, starting with those most in need by consolidating existing federal income support programs. Many of the details are yet to be worked out, but the bill was signed as it was originally proposed before both the Senate and the Chamber of Deputies by Senator Eduardo Suplicy (who has fought for BIG in the Brazilian Congress for the last 15 years).

A real 'day of glory': "Philippe Van Parijs, who came from Belgium to attend the signing said, 'A real 'day of glory' this was for Eduardo (Suplicy) and, by the same token, for basic income – even though the road is likely to be still long and tortuous from the expanding means-tested income support scheme to a universal citizen's income."

The groups have been looking into the Alaska Permanent Fund: "The Alaska Permanent Fund distributes a share of Alaskan oil revenues to every state resident in the form of a basic income guarantee. Everyone gets the same share--rich and poor benefit alike – but this modest guarantee gives the poor a small but badly needed cushion. The program has proven so successful that Alaskans are seeking to expand it and economists are looking at it as a possible solution for the 'resource curse' in countries like Nigeria and Iraq."

Taken from – U.S. Basic Income Guarantee Network and Citizen Policies Institute.

FROM THE NATION'S CREDIT – NOT THE PEOPLE'S DEBT-RIDDEN TAXES: Although the move to a means tested Basic Income Guarantee is a step in the right direction – it is an acknowledgement, a recognition, that all people need the necessities of life, the money must come into existence as a real

credit and not as a debt. At present the nation's money supply is created out of nothing by the private banking system, claimed as its own, issued as a debt, to be repaid with interest (once known as usury) thus keeping the people forever in a form of debt-slavery.

Douglas wrote in "The Nature of the Present Crisis and Its Solution" (1932): "To put the matter in technical language, the capitalistic system is a system of organisation designed to use real capital, by which I do not mean money, but tools, land, scientific knowledge, administrative ability, and many other things, so as to produce something which we call the 'unearned increment of association'. I want you to get this idea very clearly in your mind, as it is probably the most important idea that you can possibly assimilate at the present time.

In my opinion, Socialists have made a colossal mistake in arguing about the distribution of what they have called the 'product of labour'. The produce of labour is becoming increasingly unimportant as compared with the unearned increment of association...the product of the machine.

Now, it is this unearned increment of association out of which profits, not merely to the capitalist, but to so-called "labour" are paid, and we do not know of any method by which these profits representing the unearned increment of association can be paid, either to labour or capital, except by something called 'money'.

And if, as is most unquestionably the case, there is an enormous and increasingly unearned increment of association and yet on the whole, the community is not only not making profits, but is, in a money sense, definitely becoming poorer, we are, I think, inevitably driven to the conclusion that this breakdown of capitalism has nothing whatever to do with the organisation of production, but has everything to do with the money system.

I am not suggesting that the organisation of production is perfect, because I am sure it is not, and I think that by its aggregation into large, unwieldy units it is becoming worse rather than better, but I am quite confident that it is not in the organisation of production that our difficulty lies, and that no reorganisation such as, for instance, nationalisation in place of what is commonly called 'private ownership', would in itself affect any change for the better, and might easily result in a very definite change for the worse.

The failure of the present economic system is not in production, it is in distribution."

DEMOCRACY IS CLAIMING ITS SPACE: In the 1990s SBS-TV featured a programme on the International Monetary Fund, in which a 1990 presidential candidate, Luis da Silva, criticized the policies and programmes of the I.M.F. and World Bank, promising to suspend payments to the I.M.F. in order to develop programmes for his own people.

During the campaign, in which he was narrowly defeated, he said, "It is easier to put a camel through the eye of a needle than for a banker to feel sorry for a child dying of starvation... But, I believe that people can invert this process and I believe that people can change things if they start to become aware and if they become active citizens."

In the same report another Brazilian, Marcus Arruda of "The Institute of Alternative Studies", vowed: "Sooner or later democracy is going to claim its historic space."

It looks like the Brazilians, through many years of hardship and suffering are continuing their battle to claim their democracy's historic space. Bravo to the Brazilian people!

But they must carry the battle right up to the money lenders, this time in the form of the I.M.F. and World Bank. They too must do what was done two thousand years ago – whip the money lenders, Mammon, out of the halls of power, out of the Temple of Faith! So must we.

INFINITE INGRESS - CHICKENS COMING HOME TO ROOST? – Excerpts from article appearing in *L.A. Times* by Lee Green:

An article about one of the most productive nations known to recorded history. Why is the state of

California in such a sorry state? For answers? Priority reading is C.H. Douglas' "Economic Democracy" in particular the Chapter "The Delusion of Super Production."

"Come to California," Gov. Arnold Schwarzenegger urged the world more than once in his State of the State address this month. But most residents are not happy about this trend. A human wave is breaking over California, flooding freeways and schools, bloating housing costs, disrupting power and water supplies. Ignoring it hasn't worked.

By birth, by foot, by automobile, from other states and other countries, legally and illegally, people have arrived in California for decades in unrelenting swells, human surf breaking steadily on a vast shore. Occasionally a big set rolls in and harasses state and local officials trying to determine how many new classrooms to build or where to bury the trash, but Californians take it in stride. You can complain, but what good would it do? You can complain about winter, too, but it comes anyway.

Infrastructure? Overshadowed by the state's long-term fiscal quagmire is the less publicized neglect of aging infrastructure that wasn't designed to serve current population levels, let alone a population projected to be nearly two-thirds larger within 36 years. The state relies on a staggering array of dams, canals, pipelines, pumping plants, levees, reservoirs, highways, bridges, parks, forest fire stations, agriculture inspection facilities, prisons, crime labs, mental hospitals, colleges and universities to maintain social and economic order.

One would hope that the state would protect this investment of hundreds of billions of dollars, but the Legislative Analyst's Office reported just over a year ago that "appropriate maintenance ... has been a chronic problem", resulting in "deterioration of facilities and an accumulation of 'deferred maintenance'".

Water? The state should have no trouble keeping its head above it – because there isn't much. For the past three decades, California's population has severely outstripped the state's ability to store water. Maurice Roos, chief hydrologist for the California Department of Water Resources, claimed three years ago that the state lacked sufficient storage capacity to get through two consecutive dry years.

Power? "The electricity crisis [of 2001] should be a wake-up call for all of us with respect to water in California," Feinstein says, implying that water rationing is no less plausible than power shortages. "We will not have enough water unless we begin to build the necessary infrastructure, the desalination, the recycling, the conservation that's really necessary for 45 [million to] 50 million people."

The Assn. of California Water Agencies warns that as early as 2010, yearly demand could exceed supply by 4 million acre-feet, an amount equal to what 20 million residents use in a year. You won't be reduced to drinking from your rain gauge, but your water bill may get your attention, and green lawns, clean cars and full swimming pools could become a rare sight. And that's in a good year. Even now the Colorado River, a prime source for Southern California, is so thoroughly tapped by seven states and Mexico that its waters rarely reach the sea.

Growth? During the last half of the last century – an epoch encompassing most of the baby boom and, a generation later, all of the boom's echo – the state's population grew by more than 24 million. The next 24 million... will arrive more quickly, inflating the total to nearly 60 million within 36 years...The 2020s will witness the greatest 10-year increase in state history, and the numbers in the 2030s will be greater still.

But to what end? Shall we just paint ourselves into an overcrowded corner and then see if we can figure a way out?"