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 Natural Law of morality for man is...an order of action, grounded on the nature of man, which human reason can discover, and according to which the human will should act if it is to attune itself to the essential nature and goals of a human being.

This Natural Law is not a written code, except in the sense employed by St. Paul, who, using a figure of speech, says it is written in the heart of man (Rom. II. 15). It was recognized and expounded by the great philosophers of Greece – Plato, Aristotle and the Stoics. Aristotle had a very clear concept of the distinction between actions which correspond with nature, and are thus naturally good, and those which are merely legally just because they correspond with positive human law. The Latins took over this concept of Natural Law from Aristotle and the Stoics. It was developed with fine eloquence by Cicero, and ultimately it became the basis of Roman Law. Later, the Byzantine jurists who composed the famous *Corpus Juris Civilis* – the Code of Roman Civil Law – gave to the world a book that has made an impression on Western civilization almost as profound as that produced by the Bible.

But it was under the enlightened influence of St. Thomas Aquinas and the later Catholic theologians that the Graeco-Roman concept of Natural law received an interpretation in harmony with Christian tradition of Divine Providence and the Christian virtues of justice and charity..."

– Taken from *"The Natural Law"* Pastoral Statement on the Basis of Social Justice by The Catholic Bishops of Australia, 1959

AN EVENT OF HISTORIC – SOCIAL CREDIT – SIGNIFICANCE by Michael Lane:

There may be happening in the Philippines right now an event of historic significance and of tremendous interest to us. The LETS system spreading there is in itself not notable, but the fact that within this LETS system a monthly dividend is being paid out of created money and with the intention of implementing social credit is very notable.

So is the fact that the movement has become big enough to generate interest in the Philippine press.

HOW TO APPLY SOCIAL CREDIT LOCALLY from Francois de Siebenthal:

The following is the substance of a lecture given by Mr. François de Siebenthal – an economist and Filipino Consul in Switzerland – at the Michael (Social Credit) headquarters in Rougemont, Quebec, Canada, in March, 2005. Mr. de Siebenthal demonstrated to those present how easy it is to open a local bank with just the use of simple cards. While we believe each of the groups will have teething

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troubles in the setting up of their social credit communities – and there will be matters not considered in this report – because the system will be uncomplicated and the local people's needs so basic, the problems will soon be recognized and hopefully resolved quickly.

We are publishing the full report which will 'flow over" to The Bulletin in the hard copy of this week's edition of ***On Target***.

The Canadian "Michael" group wrote: "Mr. de Siebenthal went to Madagascar with Mr. Marcel Lefebvre, to the Philippines with Mr. Melvin Sickler, and to Poland with Mr. Janusz Lewicki to explain this system to various interested audiences. In fact, Social Credit is no longer only a theory, but has been put into practice in these countries, with local debt-free banks multiplying."

Why not read and study what knowledge Mr. de Siebenthal has on this subject. It could prove to be very useful in the future!

François de Siebenthal – a simple bank: A simple system to facilitate the flow of goods and services. How you can open a local debt-free bank with the use of simple cards.

I will speak to you now just to teach you how to open a local bank with the Social Credit principles. It is very easy to do and everyone can do it.

It was already done in past history, especially small banks in Switzerland. And those small banks, local banks, were done by farmers. The banker is a farmer, the bank is in a farm house, the customers are farmers, and the owners of the bank were and are farmers. These little banks, put altogether in Switzerland, make the third largest Swiss bank actually in operation with the best ratio and the best management because the costs are very low. Being the banks are very small and in small houses, and because you do not need big armour(ed) cars and security personal, these banks are very efficient. These little banks can also be found in Austria and some other countries.

The tragedy of debt money: You know that money comes from debts with interest rates, and you know that all the theory of Social Credit is true, and that interest kills. The statistics of the International Labor Organization in Geneva state that every day you have 5,000 people dying on work places. That makes more every day than the people who died in the Twin Towers. Every day! That means that because of capitalism and because of exaggeration in productivity, you have every day 5,000 people dying on the work place. And I do not count all the stress, all the psychological problems, the suicides, alcoholism, the drugs, the children at home without the parents because the father and the mother are both working.

The beauty of a just system: Now, with our system, you can imagine that a system without interest rates will save a lot of money. It will save at least three hours every day for each one of you, it will cut the prices by half, and it will give the houses 77% more space because the interest rates are taking a lot of productivity in the whole world.

So now I am teaching you how to found a bank: These banks were already founded in Switzerland, in Madagascar, Africa, in the Philippines, in Poland, and in Canada. These banks have had such a success that now the World Bank and the International Monetary Fund are already attacking these banks. In the Philippines there are already attacks in the government and in the newspapers. That means this system is interesting and the forces in front of us are already attacking this kind of banking system.

<u>WHERE TO START – WHAT ARE THE REAL NEEDS?</u> "How do we make such a bank in a country? What we did first was to listen to the people. What are their real needs? What are the real needs in Madagascar? What needs, the real needs, the basic needs just to survive, because in most of those countries the people do not have enough to live. Then listening to them, we learn too the mentality of those people. We have to adapt to the culture and the local mentality.

Social Credit is really the answer to the real needs, the basic needs of those poor countries. After having listened to the people, we tell them that we have something that can help them; it is not a magic wand that will give them paradise on earth, but it is a system that will guarantee each individual access to the basic necessities of life and allow the poorest countries to make use of their resources to help their own population.

The main thing is to look for the Kingdom of Christ and His justice: "But seek first the Kingdom of God and His righteousness, and all these things will be given you besides." (Matthew 6:33.) This is really what we are doing here with this local exchange system; we are dealing with justice, the justice of God. Work for justice, and everything else will follow!

A Christian coin: At this point of my talk, I would like to show the 5-franc coin that is currently in circulation in Switzerland. On one side, one can see the Swiss cross, which represents the Kingdom of Christ, and on the other side, social justice is represented by William Tell, the Swiss national hero and liberator of the poor and of the oppressed. On the edge, one can read these Latin words "*Dominus providebit* – God will provide", which specifically refers to the line of the Gospel of Matthew mentioned above.

In all our meetings to organize local debt-free banks, we need to remind people that God does provide, that He is indeed very generous. In the Philippines, for example, they can raise three crops of corn. If you take one seed of corn, this seed will give you three stalks which will give you around 200 seeds. So if one gives you 200, then ten gives you 2,000; one-hundred then gives you 20,000. Three crops per year (20,000 X 3) yields 60,000%. And the banker will probably give you 6%. This means that God is very generous.

There are fish in the sea you can fish. With the earth, you can till, and the earth is very generous. You know that the earth could feed many times the world's population. It is not a problem of food but a problem of distribution. Then it is important to remember how the earth is generous and that there is enough room for everybody on this earth.

In Switzerland, as I told you, this system of small banks is working. And there is another system working too which is a parallel money called "wir", a German name which means "we" in English. That involves a notion of community. This money is existing since the year 1933 during the crises, and it is working very well. It is parallel money. Nobody knows about this money but, because of this money, Switzerland, the poorest country in the world as far as natural resources are concerned, is one of the richest countries in the world because of its organization of small banks and this kind of parallel money.

Usury is condemned by the Church: You know too that the Church, the (Roman) Catholic Church, has always condemned the charging of interest on the loan of money, calling it usury. As a matter of fact, the social doctrine of the Church, which supplies principles of justice to be applied in human activities, is probably, among all the teachings of the Church, the part that is the least known. And the least known part of this social doctrine, the best kept secret, is certainly the encyclical letter *Vix Pervenit*, issued in 1745 by Pope Benedict XIV, and addressed to the Bishops of Italy, about contracts, and in which usury, or money-lending at interest, is clearly condemned.

In 1836, Pope Gregory XVI extended this encyclical to the whole Church. The text of this encyclical was destroyed in many countries of the world just to hide this most-kept secret of the social doctrine of the Church. It says: "The kind of sin called usury, which lies in the loan, consists in the fact that someone, using as an excuse the loan itself – which by nature requires one to give back only as much as one has received – demands to receive more than is due to him, and consequently maintains that, besides the capital, a profit is due to him, because of the loan itself. It is for this reason that any profit of this kind that exceeds the capital is illicit and usurious.

"And in order not to bring upon oneself this infamous note, it would be useless to say that this profit is not excessive but moderate; that it is not large, but small... For the object of the law of lending is necessarily the equality between what is lent and what is given back... Consequently, if someone receives more than he lent, he is bound in commutative justice to restitution..."

What you need to start a bank: To found a local debt-free bank is very easy. You just need small sheets of paper, which we will call the accounts, and a general ledger. In fact, we will do exactly like the five people in the tale of Salvation Island, who realized they can create their own money.

The principle is the same as in the tale of *"The Money Myth Exploded"*: an account is created for each member of the community.

(*"The Money Myth Exploded"* is available from all League Book Services. Price: $6.00 posted...*ed*)

TO MAKE FINANCIALLY POSSIBLE WHAT IS PHYSICALLY POSSIBLE: "The following system will therefore allow any community or village to make financially possible what is physically possible in that community, that is to say, to create as much money as they need to exchange goods and services.

1. Just like in the tale of *"The Money Myth"*, you can first use a blackboard and a chalk to explain the system to the people gathered in front of you, who want to be part of this local bank and exchange system.
2. Then you distribute to each member of the community a small card, which will be their bank account. You can use any bookkeeping card, small enough so it can be put in your pocket, in your purse; this will be the money and, at the same time, the way to create local money without interest. It is very important to state: without interest!
3. You distribute pens in the poor countries because, many times, they do not even have pens, and you write on the card the basic information about you: your name, your address, your card number (your bank account number), your birth date and signature. The signature proves that you are the owner of this card; even if you lose it, nobody else can use it, for as you will see later, your signature is required on the cards – yours and that of the person with whom you are exchanging goods or services – every time you make a transaction.
4. The first thing to do after these cards are distributed is to give numbers to the people. That means that everyone that is in the room should say a number, one after the other. The first row can have the number 1, 2, 3, and so on. Everyone is saying the next number in sequence and everyone is writing his number on his card, and one person in charge of the ledger for the community writes all the names in the ledger with the corresponding account number. This will be your bank account number, it is like in a football team – you give a number to everyone, and this number is matching the name on the card.
5. Depending of the level of development in the community, you can add your phone number and e-mail address, if it applies. You can also mention your trade (present occupation) and other jobs you could do or services you could offer. (This information can be used if one wants to create a catalogue of all the goods and services offered in the community.) On the back of the card, there is the address and phone number of the local bank.
6. Now, in the other columns, you have the date, the reason of the transaction, a column to show the money you spend (money out of your account), the account number and signature of the person you are transacting with, and a column for the money coming in to you. You can see that this is very simple."

(continued in The Bulletin)

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ON TARGET BULLETIN

An Event Of Historic – Social Credit – Significance (continued from *On Target*):

AN ILLUSTRATION to understand better how it works: "The first amount written down on your card will be an effective implementation of Social Credit: a social dividend, given periodically (once a month) to every member of the community, representing their common heritage in the wealth of the community (progress, life in society, natural resources). This amount is to be determined by the community, and must cover the basic necessities of life.

So, on the first line, you see a date, the reason (a dividend), nothing in the money-out column (you draw a line; it is money that you receive, not money that you spend), the number and signature of the person giving you that money (in this case, the signature of the local bank or its director, and for the sake of the example, the number "0" was allocated to the bank.)

And on the last column, money in, $100 is inscribed. The bank has given you a dividend of $100.00. (This transaction has also been inscribed in the ledger of the bank.)

Now the second line. Let us suppose Tom Smith wants to buy from Paul Jones 50 kilos of apples, for a cost of 50 dollars. So you have the date of the transaction, the reason (purchase of apples), the amount you spent (50 dollars), the number and signature of he who sold you the apples (Paul Jones, for the sake of this example, was allocated account number 2.) Paul Jones signs his name on your card, and you sign your name on his card.

In every transaction, there are always two cards, therefore two signatures involved: So, what is a purchase for you on your card, will be a sale for the other person involved in the transaction, on the other card.

If you look at Paul Jones' card, the reason of the transaction will be "sale of 50 kilos of apples", and the 50 dollars will be written in the column of the money in, not the money out. And Tom Smith's signature will appear at the end of the line.

Now, let us suppose Paul Jones has a chair that needs to be fixed. He knows that Tom Smith is a carpenter. He goes to see him, and Tom Smith agrees to do the job for 10 dollars. So you will have on both cards the reason of the transaction (chair fixed), with the amount (10 dollars) written on each card – as money that comes in, on one card, and money that comes out, on the other. And the examples could go on and on.

When the system is presented to the People for first time: When this system is presented to the people for the first time, at the meeting for the foundation of the local bank, the best thing for you now is to train yourself with such a card. When the cards are distributed, you put your name on the card – you do not need to put all the other details. And you make transactions with your neighbours. You buy and you sell. And you will see that you have now in your hand the same money-creation system that the banks have now; they do the same in computers and ledger books in accounts in banks, but it is without interest that you do your transactions.

Now train yourself for a while with your neighbours on how to create local money. This period is very important, and you will need to give at least 15 minutes for this training period, until everyone in the room has understood. It is very important! In the Philippines, the young people went to the old people to teach them, some of them not even being able to write. But they were able to understand the system because it is only figures. If they do not know how to write letters, they know how to write numbers!

You have a contract every time you create money. You have, at the same time, the proof

In this issue: • *An Event Of Historic – Social Credit – Significance* (continued from *On Target*) • *Basic Fund* • *Sydney Conservative Speakers' Club* • *Melbourne Book Shop Meeting* • *Adelaide Conservative Speakers' Club* • *Important Book* of a contract, a commitment with the signature, and the number to double check the signature.

You are in control – and you are controlling the system: This money creation is under your control and it is in your local community. You know each other and you can create as much money as it is necessary for your needs. So what is physically possible is now financially possible. Your community will never lack money.

This system you have now used is the same system that the banks use to create money, but you control it! And you control it without interest! It is very cheap. It is efficient. You can create any amount of money according to production and services available. You can make any exchange of goods and services. And you are in control; you own the money-creation system.

And it is even better than the actual system because to print bank notes, it costs a lot; just one line of printing machines with special ink, special paper, etc. costs $100,000,000 US, and you save this with this system. And it is even better than a bank note because you have your name on it. If you lose your card, someone will phone you telling you he found your money. And this person who finds your money can do nothing with your money because your signature is needed. It is really your money.

You cannot dispossess someone who has lost his money. And if the money (the card) is destroyed by fire or other means, you can reconstruct a card with the scriptures of the other cards. And all the cards will be consolidated in the local bank. This means that if your bank card is destroyed, you can reconstruct your bank card with the scriptures of the others because, on the other cards, you have your card number, and you can rebuild your scriptures and reclaim your assets which is even better than the actual system with bank notes. And you have, naturally, no interest. This means with every transaction, everything will be cheaper in the community because, today, the interest rates kill people.

To own a bank: In my presentation to start a new bank, I say to the people: "So, do you want to be the owner of a bank? Yes? Who does not want to be the owner of a local bank? I assume that everyone wants to be the owner of a bank. You can be the owner of a bank, like we did in the Philippines, Madagascar, Switzerland, and in Poland. But to be the owner of a bank, this bank needs to have a management. This banks needs to have auditors. Then we need now to have people who are willing and ready to act as managers, and willing and ready to act as auditors. So now I ask you, who will volunteer to act as managers of the bank and auditors of the bank? I need at least three managers (a director, a secretary, and a treasurer) and two auditors (who verify once in a while the bookkeeping of the bank). Now, the people who are willing to be and to act as the management of this local bank owned by the local community, please come in front of the room."

It was very interesting to see how many people were willing to act and to take the responsibility of running the bank. In Poland, we had so many people who came on the stage, it was just unbelievable. In the Philippines, too, a lot of people were volunteering to come in front to fill these positions. So be sure you have seats in front of the general assembly so the new managers and auditors will be able to sit down.

It is the community that chooses the people who will be on the board of the bank, people they can trust and who have enough skills to do the job.

In Madagascar, we established a bank in one of the poorest villages in the country, and now we are receiving nice reports signed by the management of the bank. They understood, and they took the responsibility of their new bank very seriously.

To be the bank manager of the local bank is very easy: your only task is to be in charge of the bank ledger. There is no need for a safe, for bullet-proof windows and armour(ed) trucks and armed bodyguards to carry the money, etc. The only thing you have to keep in your house is the bank ledger.

The prices: Now, at this stage, you have the general management, you have the auditors, and you have the general assembly. It is now important to put in writing the just prices for the basic goods and services of the area which will be decided by the general assembly. And to decide how to share the profits, because this bank can create money as any other bank. And this bank will create money to allocate investments for the production of goods. And the people, when they have a lot of pluses (money in) on their cards, can invest those pluses in projects, and those projects will give more production abundance. So it must be put in writing how the profits of this abundance will be distributed. This way the people will be more willing to share.

In the Philippines, for example, the producer of rice, who understood very well this system, signed a contract to share 70% of the profits from the production of rice with the general assembly, and keep only 30% of the profits for himself. It was really astonishing for me to see that they would be so generous in sharing.

A priest explained to me that when there is no interest charged, when there is no usury, the producers are very happy because, in those countries, usury can climb up to 1,000% per year. That makes 20% a week. And because we now have a local banking system without usury, without interest rates, everybody is happy, and everybody can share more. Now all this money will not go to the usurer who was doing nothing except taking 1,000% per year.

A system that works: This system reminds us of the parable of the dishonest steward. You remember in the Gospel of Luke (Chapter 16) the parable of the dishonest steward saying to his master's debtors: "Here is your promissory note. Sit down and quickly write half the sum that you owe to my master." The only difference is that with our local debt-free banks, everything is done honestly. And it is working! In fact, it is working so well in the Philippines that we have now more than 15 local banks (as of March, 2005). And the newspapers and the government are now already attacking this system. That makes a lot of advertising, a lot of publicity. In fact, those attacks can be good for the spreading of the system because now everybody is speaking about this system.

It is the love of money that is the root of all evil, and with this system, you have less the notion of money being in your pocket, and it is a way that you love less your money because it is really just a means to facilitate exchanges. You can exchange any goods, any services, and you cannot as easily love your paper which is really with your handwriting and the signatures of the others, which is really a community creation of local money. It is not as easy to love this piece of paper as a bullion of gold or coins or bank notes. It is really a way to avoid this love of money which is the root of all evils.

A ruler to create money: And this card, this system is giving you the ruler to create money. As you have a ruler to measure metres or feet, you have a ruler now to create the money necessary for the local community life. And with this system, you can allocate money for the basic needs of the poorest. The dividend has to be accepted by the general assembly. Normally we recommend giving a dividend at least equal to the amount necessary to cover the basic needs for the life of the poorest, the sick, the old people present.

And it is working now. For example, in the Philippines they have chosen a dividend with the value of $100 US. And the local economic system has a boom now because there is enough money in the system.

SPREAD THE GOOD NEWS! "We are looking for people to go all over the world to spread this good news. This good news is making the poorer richer. This too is making the local development possible. This too allows the poor to have as much money as they need for the physical needs of the local community. And it is really a liberation tool.

The need for regional development: Naturally, in this process, you need to pray, so we always ask the people to pray together before each meeting. And because of the prayers of the Rosary, because of all the prayers of all the Social Crediters since the foundation of the Movement, it is really giving a lot of fruits.

And we need to work fast. For example: in the Philippines, the development is fast because one local bank alone is a plus, but if this bank is alone, it is not enough. You need to spread on a regional level around a city, for example. This way you can exchange all the goods, the food, services; you can exchange everything necessary for the basic needs of life. And it is happening now in the Philippines that the development is going as fast as possible. We are really astonished that they have understood so well with one month's teaching. They (have) already opened more banks than what we did when we were there. Now we really need people to travel all over the world to spread this idea to others." *End of article.*

BASIC FUND: The figure has reached $40,667.55 - we are now past the two-thirds mark. It is important we reach the full target this year. There are some exciting new projects in the pipeline (and will be announced at the Annual General Meeting in October), but how far we can take those projects will depend on the funds available. It is time to generously contribute to the Basic Fund.

SYDNEY CONSERVATIVE SPEAKERS' CLUB: The next meeting of the Sydney Conservative Speakers' Club will be held on Thursday evening, June 30th, 2005, commencing at 7.30pm. The venue is the Lithuanian Club, 16 East Terrace, Bankstown (approx. 600 m. from Bankstown Railway Station). Guest Speaker: Mr. Gordon Walker and his subject is *"The Anglo-American Connection"*. Mr. Walker is an executive of a well-known company in the oil industry and is profoundly familiar with the corporate realm. He will deal with the Anglo-French connection and the historical influence of France on European thought and its contrasts with English thought. France is leading the European resistance to Anglo-American "free market" ideology. Cost of attendance is $5. Bring a friend for the first time and the attendance fee will be waived. A limited range of books will be on sale.

MELBOURNE BOOK SHOP MEETING: Well-known speaker Mr. Geoff Muirden will bring folk up-to-date on *"The Outcome of 9/11"* at a meeting in the Melbourne Book Shop, 145 Russell Street, Melbourne on Friday, July 15th, 2005, at 7.00pm.

ADELAIDE CONSERVATIVE SPEAKERS' CLUB: Mr. Geoff Muirden will also present his paper *"The Outcome of 9/11"* at the Adelaide Conservative Speakers' Club, 207 East Terrace Adelaide. The date is Monday evening, July 4th, 2005. Please make the effort to attend the Dinner beforehand. Phone 8296 4704 and make your bookings.

IMPORTANT BOOK – *"The Church and Farming"* by Rev. Denis Fahey, C.S.S.p, D.D., D.Ph., BA. Written by Father Denis Fahey this book is particularly important at this time, as the rural sector struggles to survive. Father Fahey brings together the relationship between the spiritual and practical applications of living with and working the soil for the betterment of mankind, in harmony with God's laws. It touches on all aspects of rural life and economics... It cannot be too often repeated how much the work of the land generates physical and moral health, for nothing does more to brace the system than this beneficent contact with nature which proceeds directly from the hand of the Creator. The land is not a betrayer, it is our salvation. An essential back to basics book available from all League Book Services. **Price: $17.00 posted.**

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