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 assumptions in the "Full Employment" policy point to the philosophy from which it is derived – Monism. Monism may be either materialist or idealist. Materialism proposes that only *matter* exists. Men therefore are merely matter, and as such should be organised as blades of grass are organised to make a field. It follows then that the highest activity open to man is the production of material goods and in this he is subordinated to the Group effort.

Idealism proposes that only *thought* exists; the Group idea is elevated, and individuals are subordinated to its requirements so that service (employment) in the Group idea is the proper end of Man. Essentially the *result desired* by either form of Monism is the same.

The *policies* of Monism, recognisable as such, are all forms of Monopoly – socialism, communism, full-employment. In all its expressions it strives to subordinate the individual to the abstraction of the Group.

Social Credit is not a philosophy, but a *policy*. Like all policies it is derived from a philosophy. Its philosophy is Trinitarian Christianity. Monism leads to the organisation of mankind into ever larger units, but Social Credit aims to emancipate individuality..."

– Anthony Cooney in "Social Credit: Politics" a Gild of St. George Pamphlet

THE SAD AUSTRALIAN TAX STORY by Jeremy Lee: In the Commonwealth Budget Estimates for 2006-07, the figures were:

Direct Taxes	..	$165.3 billion
Indirect Taxes	..	$31.8 billion
TOTAL	..	$217.1 billion

This averages out at over $10,000 for every man, woman and child in Australia, (assuming a population of 21 million).

But, under the creative accounting used by the Federal Government, the figures above do NOT include the revenue for the Goods and Services Tax (GST), which raised another $40 billion, adding a further $2,000 to the average *per capita* tax take, making it an approximate $12,000 per head, or $48,000 for the average father, mother and two children.

But that is not the end of the story! The States also raise their own taxes and imposts; and, of course, your local Council also wants a small contribution if you dare to own any property.

All Federal Income Tax is raised under a Taxation Act which Treasurer Costello was going to simplify, but which is now six times longer than the King James Bible, under an Australian Tax Office (ATO) which is the approximate size of the Australian Armed Forces.

In addition, each and every businessman in Australia is an unpaid tax collector, struggling regularly and for long hours with his BAS (Business Activity Statement) as well as collecting tax for the ATO from any wages he pays to his staff.

A government-job-creation scheme! So complicated is the whole procedure that every business has to procure and pay for the services of an accountant, to save him from heavy penalties for any error he might otherwise make. If the collection and payment of taxes is a "government-job-creation-scheme", it must be the most brilliant one ever invented!

While extravagant claims are made about Australia's "booming economy" the real figures are somewhat different.

Yes, the Federal Government has eliminated its own debt (except for about $100 billion in unfunded liabilities in the form of future superannuation and pensions for politicians and public servants). This has been achieved by selling assets such as banks, airports and telephone companies, previously paid for by the taxpayers. At the very least this should have resulted in regular tax reductions and tax simplification.

Debt, debt and more debt! As Australia's once-legendary manufacturing sector, and its farming sector, have been squeezed, mangled and contracted, Australia's huge mineral resources sector has been allowed to burgeon as the Nation's biggest export-earner by far. It is almost completely foreign-owned.

The laziest politicians in the world have been allowed to ride on the back of our legendary mineral wealth, raking in royalties which are never used to lighten the load on other sectors. So, like the U.S., the once self-sufficient Australia lives on imports of consumer goods and, increasingly, food, paid for by our frighteningly huge Foreign Debt (At the end of February, this had reached $512 billion).

Australians live week-to-week by debt: Australians on average live from week-to-week by debt. At the end of December 2006, Australia's Credit Card debt alone was just touching $40 billion. Household debt was not far short of a trillion dollars! ($962 billion)

When the Coalition under John Howard came to power in 1996, the ratio of household debt to annual income was 69 per cent. Ten years later it is about 160 per cent.

When the Howard Government came in, Australia's Foreign Debt was $180 billion. Today it is $512 billion. Is this what is meant by a "booming economy? Some boom!

If current boom conditions give way to any recession (and many are saying this is imminent) Australia will be hit harder than most. The money-lender will be knocking at every door! Even our politicians might be forced – heaven preserve us! – to curtail their lavish life-styles!

WHAT DO WE DO? An old Chinese saying says, "When struck by a thunderbolt it is too late to consult the Book of Dates!" The thunderbolt is perilously close. A few precautionary steps are urgent. The tax-burden must be lifted and simplified if Australia's producing industries are to be revitalized.

<u>IT'S THE MONEY, HONEY</u>! by James Reed: Although most of our concerns about the survival of Western Civilisation cannot be reduced entirely to economics and finance in any mechanical, reductionist way, economic concerns are a major factor in our plight. Social crediters, rightly, say this in each edition of their excellent periodicals. Many excellent books available from the League are aimed at educating us on the 'money problem'.

Now there is another one, written from a perspective sympathetic to Social Credit, but advocating a 'pluralist' approach to the money problem: Diedre Kent, *Healthy Money, Healthy Planet: Developing Sustainability Through New Money Systems* (Craig Patton Publishing, Nelson New Zealand 2005).

Kent, although from a left and green perspective, is highly sympathetic to social credit and its analysis of the instabilities produced by the present 'diseased' financial system – which is likely to collapse. Fractional reserve banking is "the world's biggest confidence trick" (p.15). Banks are free to create credit lending out money on interest, without providing the money to repay the interest. A debt spiral is created as borrowers as a group cannot repay the principal and interest without still further borrowing – which creates the problem all over again. Borrowers thus fall further and further into debt. The gap between rich and poor increases.

Money is often borrowed from offshore lenders, ultimately making nations vulnerable. Further, because the interest charged is compound interest, such money systems are mathematically unstable and prone to collapse. Kent, herself a mathematician, says that a single penny invested at the time of the birth of Christ at a 5 per cent interest rate would today "buy 134 billion balls of gold equal to the weight of the earth at modern gold prices." (p.22)

Economic globalisation also arises from this unsustainable financial system, as governments attempt to pay off debts incurred to commercial banks and international banking agencies, by "export warfare", exporting more than they import. As Kent puts it: "as a consequence of this competition, large corporations transport ever-cheaper (in *financial* terms *...ed*) goods around the world, leading to a lowering of commodity prices. The push for exports means a wasteful and accelerating growth of trade, with identical goods criss-crossing the globe, adding to global warming, damaging the lifestyle and cultural integrity of indigenous people, and reducing the self-reliance of local communities. Democracy is continually eroded as centrally planned corporations colonise the world, usurping the power of democratically elected governments. This loss of democracy is further exacerbated as central banks come increasingly under the influence of the money markets."

Kent agrees with social crediters that the present unstable financial system needs radical change, with an abandonment of fractional reserve banking as presently practised. This need not involve the "communistic" "nationalisation" of banking, as old time League actionists such as Eric Butler recognised. Irving Fisher in *100% Money* observed that the same European banks in the 17th century did not use fractional reserve banking and fully backed all their receipts by deposited assets – and still made a profit. Governments should also be able to create money directly when needed for productive projects, rather than allowing the banks to create it and then Governments borrowing it at interest.

Beyond this territory Kent supports "complementary currencies" or "local" or "community currencies". These democratise the national currency system. Whatever it is. Such currencies help protect local communities from the ravages of the present financial system. Supplementing the comprehensive changes advocated by social credit, these currencies help people work towards greater financial change. Money can be lent interest-free, avoiding the critical instabilities noted above.

Kent describes these complementary currencies in detail. Included is the LETS (Local Exchange/ Employment and Trading System) which works best among small groups of less than 200 people. Barter is also an option on a small scale or a large – commercial trade barter. In the age of computers, barter need no longer be crude, and indeed 40 per cent of the world's economy is comprised of barter. At a State level there are also various schemes such as Bartercard, set up in Queensland in 1991 and now in New Zealand. Roy Netzer, Managing Director of Bartercard New Zealand is quote as saying: "By circulating the money around these businesses, we will make them all healthier and protect them from the biting economy outside." (p.159) Also discussed in the book are privately issued currencies such as tradesmen's tokens, and even Fly By Points!

The important lesson of complementary currencies is that people can devolve financial power and 'democratise' money. And that is one of the central messages of social credit as well.

FOR FURTHER STUDY: Ask about videos on the subject. Send for a video copy of "An Alternative Money System" It is an explanation of how a Common Weal Credit Association would work for the benefit of a local community of producers and service providers. Price: $20.00 posted from P.O. Box 27, Happy Valley, S.A., 5159.

BOOKS FOR FURTHER READING: "The Money Trick"; "The Guernsey Experiment" and "The Money Bomb" by James Gibbs Stewart. Send for a list today from your League Book Service.

ROTTEN TO THE CORE by Ian Wilson LL.B.: Don Stewart has been a policeman, barrister, the head of three Royal Commissions and the inaugural head of the National Crime Authority. He has recently published his autobiography: "Recollections of an Unreasonable Man: From the Beat to the Bench" (ABC Books, 2007). The title is of course bitter irony: Stewart is a very reasonable and decent man and his book could have been sub-titled: An Eye Witness Account of the Corruption of the Australian Court System.

Actionists need to read this book because many have delusions of grandeur about the court system. Here is the antidote, with stories of convictions based on falsified confessional evidence, crooked cops taking bribe money and on it goes.

As Stewart said: "As recently as Christmas 1995 I discussed some of these matters with some District Court judges who were practising at the Bar. They agreed that the taking of bribes was notorious and named names, with no prompting from me. Yet they did nothing." Now why would that be?

The Wrong Side of the Bench: Oh – before I forget, former Federal Court judge Marcus Einfeld could soon be charged with criminal offences including perjury over his speeding incident. Einfeld claimed that a visiting U.S. academic was driving his car at the time. But recently a former media advisor to former Labor leader Mark Latham claims that she was in the car *with* Einfeld, who was driving when the car was caught by the candid cameras. (Source: "Einfeld May Soon Face Charges", *The Australian*, 22/2/07, p.3)

CELEBRATE REFUGEES? from Len the Cleaner: The sign draped outside an Adelaide church, at a distance – for someone like me with poor eyesight and blood pressure so high that my inner plumbing is set to explode – read "CELEBRATE REFUGEES". Upon getting closer I found that the sign had an insert and actually read: "Celebrate and Support Refugees". Although raising my blood pressure still higher, the slogan did not puzzle me until I gave it a bit of thought.

First, if one was to actually "celebrate refugees" then wouldn't this imply "support" as well? Isn't the insert a tautology?

And then, even if one was the most pinko of pinkos, and liberal of liberals, and so left of left that one had turned full circle and become "right", would one really celebrate refugees? Isn't that discriminating? Would one "celebrate" what is by definition a problem State?

Would homelessness or the homeless, alcoholism or alcoholics be celebrated? The more one reflects, the more that one finds utter conceptual confusion in the little slogan.

What are refugees? People who flee their homes for safer territory. They may be persecuted or a war may be happening. But the refugee goes. Others stay and fight for freedom and many die. Sometimes those brave souls who stand their ground win and change history. How about celebrating them – those that stand and fight?

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