A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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A Blessed Holy Week to All Our Readers

"I have come that ye may have Life"

"Indeed it is my opinion that the best of prophets – even those whose words have become scripture – have had, each in his own degree, only the kind of qualifications that I have. They foretold what would happen to men, because they understood what was happening and what had happened...

This business of being a prophet begins therefore with the task of finding out what kind of a thing a human society would be if it were quite sane. I think that is the way Isaiah began and Amos and the rest. They may not have been wholly successful in their quest... the value of their foreshowings was proportionate to the depth of their knowledge of the real nature of a society...

If one knows the quality of social health one begins to understand the character and course of social diseases. And then it becomes possible to say, without doing violence to what is called the scientific spirit: Within such and such a time the fever in the nation will run to fatality, or else there will be a resurgence of the life-force and a new recuperative era will begin.

This is substantially the formula of scriptural prophecies. They content themselves with a sharp definition of the issue... In this matter of social predictions the scriptural prophets are more scientific than most of the moderns; they have a sense of the truth that the fatality of passing events is balanced – and may at any moment be over-balanced – by a spiritual fatality, a gravitation toward health. That is why the old prophets stated their predictions in alternative terms – as a good physician does... The old prophets were content to say: You shall arrive at perdition at a specified juncture – unless you repent....

(The old prophet) can say with certitude: There is great strength here in reserve, the fever will only burn up morbid tissue, the recuperation may be slow and painful, but a new and abundant life is assured."

– Charles Ferguson in "The Revolution Absolute", 1918

FOREIGNERS CLEAN US OUT ON WATER by James Reed: It was Robert "Bob" Hawke who said on the world stage in 2001: "Australia must realise that they will become part of a single world government and Australians must come to terms with the fact that they will lose their sovereignty." (From the *Readers Digest* Publication August/September 2006). This principle should be applied in surveying all news.

Thus behind the Howard government's buyback of water licences in the Murray-Darling Basin, foreign capitalists stand to make a flood of profits. The headline says it all: "Foreigners Clean Up in Water Plan", *The Australian*, 23/2/07, p.6). Foreign companies have big stakes in the largest agricultural ventures with water allocations; the Australian Cotton Industry is primarily "made in the U.S. of A." but European companies have a firm slice of the pie as well.

Thus behind every government action, there is an equal and opposite reaction by those puppet masters who pull the strings.

Indeed, seeing John Howard respond to the opinion polls which put Kev Rudd ahead of him, I could have sworn I saw the ventriloquist's lips move.

FORGIVE US OUR DEBTS? NOT LIKELY! taken from Jeremy Lee's March 2007 *Prayer Letter*, "As the bitter name-calling and allegations in the Federal Parliament grow more strident and acrimonious in the jostling for votes in the coming election, one stark and shameful set of figures marks the eleventh anniversary of the Coalition government – the debts of Australian families.

Six months before the Howard government gained office in March 1996, a World Bank Survey of 192 nations concluded that Australia was by far the richest per capita country on the face of the planet. Its mineral, manufacturing and agricultural wealth was fabulous, with an asset valuation well over $A1 million per head of population, and a sophisticated infrastructure – ports, harbours, railways, roads, communications etc. – built up by our forefathers. Yet Australians were heavily in debt. The average debt of Australian households when John Howard and John Anderson gained office was 60% of annual income. Five years later this figure had reached 100% of average annual income. Now, in the beginning of the year 2007, Household Debt in Australia has reached just under one trillion dollars, equal to about 160% of average annual household income! Interest payments alone on such a sum, paid year after year on top of direct and indirect taxation, are horrendous! Mammon is firmly in the saddle! I am sad to say mammon regards Christians as the least of his worries. Let them sing as many choruses as they can in the brief one or two hours a week they can spare from paying mammon's tribute. Just so long as they don't challenge his authority!

If you think Australians are alone in their distress, the following statistics from America crossed my desk this morning:

OUTSTANDING PUBLIC DEBT (U.S.) AS AT 15 MARCH 2007: US$8,835,908,813,651.85 This has increased by US$205,601,529,810 since November of last year (2006). The estimated population of the United States is 301.2 million; so each American citizen's share of this debt (man, woman and child) is $29,336, or $600 more than 5 months ago! The National Debt has increased by $1.96 billion *per day* since September 29, 2006. And remember, this is only public debt. It does not include private or household debt, which averages about 140% of average annual income – a little behind Australia.

How is it possible for elected governments – whether in Australia, the United States or, for that matter, anywhere else – to burden their subjects with such intolerable and unpayable levels of debt? How is debt created? Who owns it? If all nations in the world are in debt, who is the mortgagee?

In Australia's case the power over notes and coin, banking, borrowing, promissory notes and matters pertaining thereto, are laid out in Section 51 of the Commonwealth Constitution.

It is beyond question that every power necessary to lift the debt-load from the backs of the Australian people lies in the hands of the elected Federal Government – if it only dared use them! Instead, it has allowed the world of private trading banks to take over the money-creation process, and to use it exclusively to assume ownership of Australia, its people, its homes, its industries, its infrastructureand, apparently, its politicians. The only portion of Australia's Money Supply still created by government is Notes & Coin – an ever-diminishing and miniscule percentage of the whole.

Under the Howard government the total Money Supply has increased at an astounding rate – all as interest-bearing debt. The banks, which are licensed to create this new money, have had a ball!

'Monetary Aggregates': The following figures, under the heading 'Monetary Aggregates' are taken from the Reserve Bank (Australia's Central Bank) Bulletin, available online to anyone who cares to download it:

Date	Cash ($billions)	M3 ($billions)	Broad Money ($billions)	Increase ($billions)
June 1989	12.2	192.9	300.9	
June 1990	12.8	216.6	316.2	(+ 15.3 in 12 months)
June 1995	18.2	286.3	369.7	(+ 53.5 in 60 months)
March 1996	18.7	310.4	401.5	(+ 31.8 in 12 months)
Howard government came to power				
June 1996	18.8	314.1	404.6	(+ 3.1 in 3 months)
June 2000	24.6	432.4	546.8	(+ 142.2 in 48 months)
June 2005	33.4	678.4	764.5	(+ 217.7 in 60 months)
June 2996	35.6	747.3	841.2	(+ 76.7 in 12 months)
January 2007	37.0	803.1	907.9	(+ 66.7 in 7 months)

Costello's 'booming economy'? Thus, between March 1996, when the Coalition government took office, and January of this year, 2007 – just under 11 years – the Money Supply was allowed to increase by *over half a trillion dollars*! (is this what Treasurer Costello means by a 'booming economy'?) The increase under Howard and Costello has been $3.8 billion per month, or $126 million every 24 hours.

Howard's 11-year Money Supply increase works out at $25,000 for every living Australian, or $100,000 for the average family of four. If the increases had been *credited* to Australia instead of being *debited*, we'd be living in an entirely different nation – free, with widespread home and property ownership, stable families, security for the elderly and plenty of opportunity for young Australians. The chance for young families to own their own home *without* life-time mortgages would be the norm. It would be easily possible for married couples with young families to live on one income – as once happened in Australia's past.

Increasingly enslaving 'borrowers' Today, the bulk of Australia's title-deeds are lodged with the banks, adding to immense asset portfolios, while the majority of Australians live in a frenetic system of debt-and-mortgage wage-slavery.

It is increasingly understood that banks create the money they lend in a costless transaction that increasingly enslaves borrowers, and periodically dispossesses them. The same system prevails in every country. It was well described by a former President of the Bank of England, Sir Josiah Stamp in the first half of the 20th Century:

"The modern banking system manufactures money out of nothing. The process is, perhaps, the most astounding piece of sleight of hand that was ever invented. Banking was conceived in iniquity and born in sin. Bankers own the earth. Take it away from them but leave them the power to create money, and with a flick of a pen, they will create enough money to buy it back again.

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Take this great power away from them and all great fortunes like mine will disappear; for then this would be a better and happier world to live in. But if you want to be the slaves of bankers and pay the cost of your own slavery, then let bankers continue to create money and control credit".

Would it be possible for an Australian Government to resume its responsibility to create any new money required by the economy as a *credit* sooner than a *debt*? The question was raised emphatically during the Great Depression of the 1930s, leading to a Royal Commission into the banking system in 1937. At that time the Commonwealth Bank was publicly owned, and had served government policy since its foundation.

Section 504 of the Royal Commission's findings read:

"... the Commonwealth Bank can increase the cash reserves of the Trading Banks; for example, it can buy securities and other property, it can lend to the Government or to others in a variety of ways, and it can even make money available to the Governments and to others free of any charge ..."

As this last clause led to a good deal of controversy as to its exact meaning, Mr. Justice Napier, Chairman of the Commission, was asked to interpret it, and his reply, received through the Secretary of the Commission (Mr. Harris) was as follows:

"This statement means that the Commonwealth Bank can make money available to Governments or to others, on such terms as it chooses, even by way of a loan without interest, <u>or even without requiring either interest or repayment of principal ...</u>" (emphasis added)

National Balance Sheet: How much money should a government prudently create? The first logical step would be the preparation of a National Balance Sheet, to include all items – trading balance, profit-and-loss, assets and liabilities, appreciation and depreciation, production and consumption, etc. – as required by any commercial enterprise.

Depending on final balance growth, an equivalent increase in the Money Supply should be credited to Australia Pty Ltd's shareholders – the Australian people. Such credits would progressively diminish the household debt, finally putting the nation in the black.

Who will give the people a lead? What chance is there of this happening? At present, none at all. No aspiring candidate advocating such a policy would ever receive endorsement from a major political party. Each one dances to the tune of its financial masters.

So great is the rate of money-creation by the Federal Reserve system in the United States, that eighteen months ago it was announced that the M3 figures would no longer be published! One commentator has said that a major recession is only being staved off by massive credit-creation. The art is to create money at a faster rate than the price structure rises! But the consequence is that money loses its value at an ever-increasing rate. The world is on the edge of a precipice.

Who will inform and motivate the people? Only informed People-Power will ever force a change; and who will inform and motivate the people? Why, the Christian Church, of course – just as soon as it once again takes up the battle against mammon! So far, there is no sign that it even recognizes the nature of the battle. At the moment it cannot muster enough fortitude to organize a publicly-announced National Day of Prayer for rain!

When it comes to the social order and justice, the Church has used more soap to wash its hands than Pontius Pilate! May the day of courageous Christian regeneration come – before it is too late!"

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