A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

Print Post Publication Number 381667 00258

Vol.44, No.30 August 8th, 2008

THOUGHT FOR THE WEEK: Dr. Richard N. Gardner, professor of Law and International Organisation at Colombia University, and former deputy Assistant Secretary of State for inter-national organisations during the Kennedy and Johnson Administrations... is specific about the key role of the IMF in creating the world state: **"We are embarked on an ambitious negotiation for the reform of the international monetary system, aimed at phasing out the dollar standard....**

The accomplishment of those objectives will inevitably require a revitalization of the International Monetary Fund, which will be given unprecedented powers to create new international reserves and to influence national decisions on exchange rates and on the domestic monetary and fiscal policies."

A rigid international credit monopoly, international control of the basic raw materials of the world, and an international economic system – the multinational corporations are paving the way – are essential for the establishment of the World State. – Eric D. Butler in *"Censored History"*, 1976 (?)

A FINANCIAL SYSTEM FOR ALL AUSTRALIANS by Betty Luks: "Australia United Transport Workers Will Never Be Defeated" are the headlines of the email received. And the message continues: "No Cattle to meat works or Sales Yards. After meetings held in regional centres around Queensland all cattle carters and general carriers voted to stay out for an indefinite period . No cattle will be delivered to meat works or sales yards. After two to three days meat works will be out of kill cattle forcing the closure of the meat works and putting thousands of people out of work."

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We are in sympathy with the transport workers in their demands. Work for them is a grind, keeping the rapacious banks off their backs, working long hours, rising fuel prices and rising running costs eating away at their low profit margins, government charges and taxes, etc., the list seems endless - never mind the true purpose for which they work in the first place, providing for their families! As it is for most Australians in these times. But as revealed in the *Herald Sun* article below, unless there are changes to the way Australia's money originates the truckies are simply postponing the inevitable.

Financial system weighted against them – debt will be double our incomes by 2010: What they need to grasp, as do all Australians, is that the Financial System is weighted against them. In July 31, 2006 the *Herald Sun* reported "Every household now owes a bank $132,000", with debt consuming more and more of everybody's income.... And investment bank analysis reveals debt levels for households are only going to get worse... It calculates Australians will keep borrowing cash (read debt...ed) to the point where our debt will be double our income by 2010."

A PORKY, GENEVIEVE – A REAL PORKY by Betty Luks: Before you read the following articles, digest the following response Mr. Tom Dolling of Port Lincoln, S.A. received from Liberal Treasurer Peter Costello's Senior Adviser, dated 30 June 2006. The politicians must have utter contempt for the people and actually believe they can fool all of the people all of the time.

Dear Mr. Dolling,

Thank you for your letter of 12 April 2006 to the Treasurer concerning the operation of financial credit. The Treasurer has asked me to respond to you. I apologise for the delay in replying.

The purported deficiency in the money supply to which you refer is known as 'fractional reserve banking'. This is the process whereby banks are able to lend larger amounts of money than directly available from their own resources. They are able to do this because they are in the business of financial intermediation, borrowing funds from depositors in order to lend to businesses and households. This provides banks with the ability to increase lending in sound economic projects and thus encourage business activity and economic growth. There is nothing objectionable in this – it is simply the normal way that banks and other financial institutions do business in a modem financial system.

Banks, however, can not on-lend all depositors funds. This is in part to ensure the interests of depositors are protected through the prudential regulation requirements of the Australian Prudential Regulation Authority and other authorities. In addition, banks exercise their own business judgment of the likely risks involved in such an action...

Yours sincerely, Genevieve Bessell, Senior Adviser, Office of the Treasurer, Parliament House, Canberra.

Freely available to download – the "Social Dynamics" DVDs at the bottom of the League's front webpage. Take the time to view and grasp the importance of the financial system in a modern money economy – and spot the porkies in Genevieve Bessel's explanation to Tom Dolling. The lady in question was Senior Adviser to Treasurer Peter Costello in the Howard Liberal government. The Social Dynamics series will give you a clearer understanding of how the Private Money Power gained control over the nations' financial systems and provides a clear explanation of how a free society should work.

THE REAL CREDIT OF A COMMUNITY: "The real credit of a community is its productive capacity and real wealth. But if this real credit can only be used on terms dictated by those who have a monopoly of creating and issuing financial credit, a mere book-keeping arrangement, then it is elementary that if this monopoly can be developed on an international scale, those controlling such a monopoly have a major instrument for imposing a World State. Just as trading banks, whether called private or Government, have progressively become the mere instruments of Central Banks, so are Central Banks now becoming instruments of the International Monetary Fund, which now creates a form of international credit called "Paper Gold" or Special Drawing Rights...

The power to create financial credit is the power to control all forms of economic activity, including the media. Once the nature of this power is grasped, and how present methods of credit creation generate increasing debt, heavier taxation and accelerating inflation, the nexus between International Finance and International Communism can be readily seen." *

We must join together in this battle to ensure that all Australians receive not only a just wage for the wage earner but also a just price for those owner-drivers, self-employed, manufacturers, etc.

But first Australians need to come to grips with just what it is that they are up against and realise that individually they don't have the power needed to change anything. But, if they form groups right across the nation with the intent of working together on this one objective, an objective that will benefit all Australians then changes could be brought about.

<u>STOPPING THE DEBT DRIVER</u> by Alistair McConnachie – Source: http://www.prosperityuk.com/prosperity/articles/driver.html Why Reforming the Way our Money is Created Holds the Key... from a paper presented in the Cultivate Centre, Essex Street West, Dublin on the 3rd October 2006.

Central to the lecture was the concept of the DEBT DRIVER: This is shorthand for the element of debt intrinsic to the economy which impels it, at breakneck speed, on the route towards unsustainable growth. As we will demonstrate, this debt has its base, its source, its point of origin, its genesis, in the very way in which our money is created. We will argue that if we are to restrain, and ultimately to stop, that Debt Driver, then we need to switch from a system in which almost all our money is created privately by the commercial banks as a debt...to a system where all our money is created publicly by a public authority, free of debt. In short, we will argue that the debt-based way in which money is created, is to the world's economic system what high-octane fuel is to a jet engine or a performance sports car. It is an accelerant, blasting the car, or the economy off at almost unstoppable speed. Changing the way our money is created holds the key to stopping that reckless journey!

WHAT IS MONEY? Money can be defined as anything that is readily acceptable in settlement of a debt, or taxes. Thus you may be able to settle a debt with a neighbour by exchanging something, which may be your time, your skills, or your possessions. That is bartering, and that which we barter is a form of money. However, you can't pay your taxes by bartering, so the state regards money as that in which you can pay your taxes. This is either cash money -- banknotes and coins -- or non-cash money, that is the account entry money which exists only as an account entry in a ledger or in electronic format on a computer screen, and which you use your cheque book or plastic card or internet facility to exchange. Today, cash money represents around 3% of money in circulation, and non-cash money represents around 97% of money in circulation. (This was written in 2006 remember. We wonder what would be the ratio of cash-money now that we know about 'shadow banking'?)

WHAT IS MONEY *REFORM*? "Money Reform" also called "Monetary Reform" addresses: 1. How money is created at source, that is, how it is created at its point of origin and 2. Who creates this money. 3.We are not speaking about anything else when we use the term "Money Reform". We're not talking about alternative economic forms of trading, such as LETs systems. We're not talking about Time Dollars. We're not talking about Barter – good and useful and important as these alternative systems often are. 4. We are talking about HOW money is created and WHO gets to create it. And we are going to investigate if there is something in the HOW and the WHO, which is driving unsustainable growth in our society.

***PUBLICLY*-CREATED MONEY:** This is money created by a <u>public</u> body – for example, an accountable public body which is an arm of government, which has been created by statute, and which has the power to create money on behalf of the people, and where the profit from creating this money goes directly to the Exchequer – which is to say, directly into the public purse, so that we the people benefit financially from that creation of money. We have a phrase for this: Publicly-created money is Money by the People and for the People. We already have such a body, here in Dame Street, in Dublin. The Central Bank of Ireland creates a proportion of the money supply in a public manner, open and accountable, and the profits go to the Exchequer. So, publicly-created money...Money created by a public body, the profit of which benefits the people.

CREATION OF MONEY *AT ITS POINT OF ORIGIN*: Money can be created free of debt – which is to say, it is created and given, granted – to the recipient and there is no requirement to pay it back. Or it can be created as a debt – which is to say it is created and has to be paid back. So, money can be debt-free or it can be debt-based. Created at its point of origin free of debt, or created at its point of origin as a debt. An example of debt-free money would be money created either as paper notes and coins, or as account entries in a computer screen, and granted free from any requirement to pay it back. That kind of money can only be created by a public body which is authorised so to do. It would never profit a private company to do that! It would never profit a private bank to create money out of nothing and give it to people with no requirement to pay it back!

HOW OUR PUBLIC BANK CREATES DEBT-FREE MONEY: And we have the example of the Central Bank of Ireland, or the Bank of England in the UK. These bodies have the authority to print the cash - that is, the notes and coins – and to sell them to the private banking system as it is demanded, at face value. The money it makes from this sale, it gives directly to the Exchequer – which is to say, the public purse. The word for that is "seigniorage". We can define seigniorage as the revenue which accrues to the State as a result of creating money – at the moment, this is only the cash money. It is the face value of the cash, minus the relatively very small cost of printing, minting and distributing. This is money which has been created out of nothing by a public authority, and an amount virtually equivalent to its face value has been credited to the public purse. The Exchequer will then spend this money into society via its spending projects and that money will circulate throughout society and it will be money which was created free of debt at its point of origin. It is utterly free from a background of debt. For example, in relation to coins, we see from the Central Bank of Ireland's Annual Report 2005, on p.122 quote, "As a result of the Finance Act 2002, the Bank is permitted to transfer the net proceeds from the issue of coin directly to the Exchequer. In 2005, net proceeds of coin issue amounting to 45million euros were transferred to the Exchequer." Thus we can conclude, the cash money circulating in society is created by the state and is effectively debt-free as far as we the people, and the public purse is concerned. This is publicly-created, debt-free money. The bad news is that money only makes up 3% of money. That's because there's a bad guy on the scene and we've spotted him!

***PRIVATELY*-CREATED MONEY:** Privately-created money is money which is created by private organisations for their own private profit and which benefits nobody but themselves. These private organisations are the High Street banks, that is to say, the commercial banks, all the banks other than the nation's Central Bank. And this guy is the Debt Driver and he's getting away with the crime of the century, and last century, and the century before that, and the century before that, and the century before that! He's creating money for his own private profit and he's getting away with 97% of our money supply!

We said 3% of money is cash money, created free from debt...Well, the other 97% of all money in circulation is debt-based money... money which is created at its point of origin – at its base – as a debt. That is, all account entry money which exists only as numbers...in your account, and which you transfer electronically by means of cheque book, plastic card or internet facility. Now what I have just said may be surprising to many people. Many people imagine that the government somehow creates all the money and that the private banks are just recycling it and moving it about. No, the private banking system creates almost all the money – and as we say, it is around 97% of all money in circulation. All of this 97% is debt-based money...created, at its point of origin, as a debt. This is money that banks created out of nothing in the first place. It did not exist before the bank created it.

Continued in The Bulletin

"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.