A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK:

"We have before us the greatest question that has yet been submitted for our consideration. It involves Australia's national supremacy in finance, and the peace, good government and prosperity of generations yet unborn ...." – King O'Malley M.H.R. speaking on the need for the Commonwealth Bank as a 'peoples' bank', House of Representatives, September 1909

"I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks and corporations that will grow up round the banks will deprive the people of all property until their children will wake up homeless on the continent their fathers conquered...." – Thomas Jefferson, former US President, 1802

DEBT-DRIVEN GLOBALISM by Jeremy Lee: The Prime Minister of the U.K., Mr. Gordon Brown, in an article in the *Washington Post*, 17/10/08, advocated that "The Financial Crisis is also an Opportunity to Create New Rules for Our Global Economy." **There it is! Now out in the open!**

President Bush's swan-song in mid-November will be to host a Global Conference (150 nations) to establish a World Money System! There'll be plenty of dire warnings about the consequences if we fail to take this last chance for humanity!

Which way for Rudd? Prime Minister Rudd, and his Treasurer Wayne Swan, will naturally be there. Statements they have made so far indicate that they also favour a globally-enforced solution; but perhaps this is being unfair. Surely they are aware of the prolonged and dramatic history of their own party – the A.L.P. – in seeking to defend Australia's financial and economic sovereignty? Would the same Party which founded the Commonwealth Bank after Federation end up sacrificing our Nation's sovereignty to a New World Order 100 years later?

Fisher sets the scene: The Fisher Labor Government in 1910, at the instigation of Tasmanian Member King O'Malley, founded the Commonwealth Bank as a "peoples' bank". Almost immediately it showed its value and potential. Among other items, it funded expenditure on World War 1 to the tune of $700 million at an interest rate of five-eights of one percent! Sir Dennison Miller, the single Director of the Bank, claimed shortly after the war that his bank had the capacity, not only to finance the war all over again had it been needed, but that it could save Australia untold millions in peacetime projects as well.

As King O'Malley had foretold, the need for foreign borrowing and compounding debt had been averted for future generations.

The 'BANKSTERS' move in: By 1924 disaster struck! A young Dennison Miller unexpectedly died. A federal election saw Lord Bruce, a London banker, become a Liberal Prime Minister. The Commonwealth Bank was put under a Board selected from the private world of finance, and was increasingly crippled from there on.

The Great Depression, which struck five years later, could have been averted had the Commonwealth still been a "peoples' bank". There were no physical shortages in Australia. The causes were financial, as they are now.

Many remember... Five years after the Depression started, with untold misery and unemployment up to 27 per cent at one point, a young Labor candidate stood for Fremantle in the federal election – John Curtin. A traditional Labor man, he was destined to become a great wartime leader.

Curtin's election platform was to return the Commonwealth Bank to its original position – as the "peoples' bank". His platform said:

"...Legislation will be passed restoring the management to a Governor of the Bank, as was originally the case when it was established by the Fisher government. Outside control by private interests will thus be removed and the bank will function in the public interest only. The progress made under Sir Dennison Miller, without interference by directors from outside, justifies the restoration of similar control... The main purpose of securing national control of banking and credit is to utilize the credit of the nation for the benefit of the people ...."

Turmoil and confusion: Arguments about the causes of Depression waxed and waned during the thirties. The faulty concept that it was due to *"too much money chasing too few goods"* gained credence among orthodox economists, resulting in the Premiers' Plan, whereby wages were cut by 10 percent. This increased public misery. Finally, in 1937 a Royal Commission was held into Banking, where it was conceded that the Commonwealth Bank had the constitutional authority to create and lend money on any terms it considered necessary ***including the waiving of repayments and interest!*** Had the outbreak of war not occurred a short time later, it is almost certain that genuine reform of the financial system would have occurred.

It only remains to say that the Depression disappeared in three days, once unlimited finance was made available for war!

The subtle 'NEW IDEA': As the post-war period of peace occurred a new change overtook the Labor Party. Ben Chifley was the last genuine working Prime Minister. By the time Whitlam came to power in 1972 the Fabian dream of internationalism as outlined by Marx's *Socialist International* took hold. The remnants of the traditional working man's Labor Party were steadily weeded out. By the time Hawke, and then Keating came to power the Fabian takeover was all but complete. Keating himself sold the Commonwealth Bank which Old Labor had striven so hard to establish. **Its biggest single shareholders – as with the other three of the Big Four – are Listed nominees of New York.** Australia's financial policies were shaped far away, in the lavish halls of the International Monetary Fund and the OECD. The creation of credit became a private banking monopoly.

Only the growth of marvelous technical, industrial and electronic innovation held at bay the final onslaught of 'debt slavery'. It has now caught up with a vengeance.

Bailing out 'THE BANKS': With scant knowledge of Australia's financial history, and intoxicated with the idea that the New World Order is the only way to go, Australia's politicians are now assuring us that banker-driven globalism is the solution. To reach this solution the perpetrators of the world-wide crisis must be 'bailed out" with the peoples' money, so they can resume their debt-creation business. Once handed over to a New World Order regime there is no turning back. Australia's national sovereignty is gone forever.

Surely there must be a few – even one or two – politicians, no matter what party, who will speak out now for Australia's own constitutional authority and integrity; for the people rather than the banks; for our farmers, manufacturers and workers, who have been the grist through the mill.

The *real* Australia: The *real* Australia was described by a World Bank Survey of over 150 nations in 1995 as "the richest per capita nation in the world." But only a portion of the Australian people see that wealth. Ten per cent – 2 million people – live in poverty. Many are now being dispossessed. Debt has robbed the people of what truly belongs to them. Can this be reversed before it is too late?

The most URGENT task is to prevent our weak-kneed Parliament from surrendering to the seduction of the New World Order. If this can be done, we can then examine how to return to Australians the benefits, robbed by the banks, to which they are rightfully due.

RUDD'S TRADE UNION CRONIES RECEIVING SPECIAL ATTENTION? I wonder how the average Aussie battler will take the news from Piers Ackerman that the Rudd government has "pumped half a billion dollars into the unlisted trade union bank Members Equity? And, guess who is the present chairman of the bank? Why none other than former Reserve Bank governor and former secretary to the Treasury Bernie Fraser. In fact Ackerman's article lists the background to many who are involved in the bank and the list is well worth the read: http://www.news.com.au/common/imagedata/0,,6317027,00.jpg

THE TREASURY'S MODELLERS by Ron Fischer: I seldom read more than the first paragraph of McCrann but there is much grain in this. It was headed "Treasury's useless detail opens a can of queries".

TREASURY, as noted, gave us the unlimited sweeping bank deposit guarantee. Just a few 'details' to follow:

In May last year Treasury forecast that growth in the economy to June this year would be 4.25 per cent. It was 2.7 per cent. In the same budget Treasury forecast that inflation would be 2.75 per cent. It turned out to be 4.5 per cent. Presumably both just little matters of 'detail'.

In May last year the budget surplus projected by then-Treasurer Peter Costello was going to be $10.6 billion in the 2007-08 year. The actual figure on a comparative basis came in at $27 billion. More little 'details'. Just let that sink in.

Growth in the economy was actually much *slower* than Treasury thought it would be. That usually means less revenue and more expenditure.

Yet the surplus almost *tripled*. Part of the answer is that inflation figure which was much higher. But the bigger part of the answer is that Treasury modelling is shite.

Treasury models can't get even close on something they do every year – and Treasury actually knows something about Federal budgets and the economy.

Indeed the final budget outcome was $3 billion bigger than the figure estimated in the 2008 budget. That's just seven weeks before the end of the year. With all the figures for 45 weeks to put through its model, Treasury still missed by $3 billion. Let's hope Secretary Henry's bonus wasn't based on that.

Yesterday Climate Change Minister Penny Wong said Treasury modelling showed that Australia's plans to slash greenhouse gas emissions would not force any major company to close. Well, that's all right then.

Actually no. Treasury hasn't got the slightest idea about the impact of the emissions trading scheme on a real economy. It and everyone else has never been even remotely close to 'there' before. Its climate modelling is worth 'slightly less' than its budget modelling - and the latter is worth four-fifths of five-eighths of very little.

It is a political disgrace for the Government to try to pretend the modelling has the slightest value. It is a bureaucratic disgrace for Treasury to engage in such a statistical fraud on the Australian public. In pursuit of its statistical nonsense. Treasury has to 'invent a can opener'. Indeed a whole series of can openers.

Can opener? The story of an economist, an accountant and a doctor washed up on a treasure – maybe even a treasury – island. They find a stash of old cans of food, the ones without ring-pull tops. How to open them?

The answer from the economist, who clearly had spent his life in Treasury: *assume* a can opener.

Exactly! That applies with the ETS and its impact on individual companies and the great complex mass of the economy. It's not just that the price of energy is artificially increased, but it has to be assumed that new energy will seamlessly replace our existing carbon-based energy.

I suggest Ken Henry be required to run both his department and his house entirely on wind or solar energy. His choice.

Further, this artificial increase in energy prices as a consequence of the ETS changes the whole matrix of relationships in the economy, in ways that Treasury modellers can only guess at. I do not trust their guesses. Any move to an emissions trading scheme will sow havoc among Australian companies and jobs and incomes.

If Treasury begs to disagree, I offer its collective wisdom a wager: Let it get within 50 per cent on its budget surplus/deficit forecast this year. Indeed, I'll even give it all the data from the first half of the year to 'model'. We can use the forecast in the mid-year budget update issued next month as the base. If Treasury gets within 50 per cent, I'll supply the can opener.

<u>**MIXED INTO A GLOBAL BROWN MASS**</u> **by Brian Simpson:** Here is politically correct biology in action. According to Professor Steve Jones of University College, London, evolution is over. He recently said: "Worldwide, all populations are becoming connected and the opportunity for random [genetic] change is dwindling. History is made in bed, but nowadays the beds are getting closer together. We are mixing into a global mass, and the future is brown.' (Source: *The Australian*, 8/10/08, p.10)

Don't be fooled: Professor Jones is not criticising race mixing and the creation of a nation of Obamas. Rather he is lamenting the decline of old dads (50+) because of the greater chance of mutation in an old dad compared to a young one (about three times greater).

It's a silly thesis because in younger fathers there is still a high degree of mutation. The mutations in older dad's sperm are almost always negative and detrimental. But it is an act of faith of evolutionary biology that this is not so because otherwise they have no mechanism for evolutionary change. There has to be the genetic variation for natural selection to work.

No, it is race mixing which is destroying genetic variation in humans. It is glaringly obvious from the above quoted paragraph from Jones.

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