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:

Breathes there the man, with soul so dead, Who never to himself hath said,
This is my own, my native land? Whose heart hath ne'er within him burn'd,
As home his footsteps he hath turn'd, From wandering on a foreign strand?
If such there breathe, go, mark him well; For him no Minstrel raptures swell.
High though his titles, proud his name, Boundless his wealth as wish can claim;
Despite those titles, power, and pelf, The wretch, concentred all in self,
Living, shall forfeit fair renown, And, doubly dying, shall go down
To the vile dust, from whence he sprung, Unwept, unhonour'd, and unsung.

– Excerpt from *"The Lay of the Last Minstrel"* by Sir Walter Scott, 1771-1832

THE WORDS SPEAK FOR THEMSELVES: "China's most powerful agricultural company, with more than 900,000 employees and connections to State-owned banking enterprises is looking to acquire about 80,000 hectares of Western Australian farmland" the Stock Journal (25th August 2011) reports. It constitutes "No Threat" claims former WA Farmers' grains committee president Doug Clarke who has been providing advice for the Chinese group. He says their investment interest in Australian agriculture is positive for land values. "I don't see it as a threat at all. Farmers are entitled to sell their land if they want to and it's just another option."

IN PRAISE OF THE NATIONAL DIVIDEND by Brian Simpson: In their paper "Major Douglas' Proposals for a National Dividend: A Logical Successor to the Wage" (*International Journal of Social Economics*, Vol.21, 1994, pp.19-28) Brian Burkitt and Frances Hutchinson defend Major C.H. Douglas' idea of a national dividend. Conventional economies are based on the exponential growth in production from technological change, which with labour-saving inevitably leads to unemployment. To counter this Douglas proposed placing "every citizen on a level economic playing-field" with a proposal "derived from the view that all social production originates in a common cultural inheritance of past invention, with present individual effort playing a secondary role". In doing this Douglas wished to provide "citizens with freedom to select employment and consumption patterns according to non-market criteria, i.e., to turn economic theory into a tool rather than a dictator of policy".

A.R. Orage in his 1934 pamphlet, *The BBC Speech and the Fear of Leisure*, observed: "If the machine does the work of one hundred men, its production is enough to pay one hundred men's wages. The Dividend is the logical successor to the Wage."

239

The present day dole is a vast and costly system to maintain and constitutes a burden on taxation. A National Dividend could replace much of "Newstart" and the senseless activity tests of applying for 10 jobs a fortnight that don't even exist! In another paper "If Citizen's Income is the Answer, What is the Question?" (*European Business Review*, Vol.17, 2005), Dr. Hutchinson observes that the "wages system lies at the heart of social injustice and ecological unsustainability."

She explains: "So long as absentee owners direct the work of waged or salaried employees (whether in private or state corporations) the motivation for reform will constantly be frustrated. Where money is the master motivation, all other values fade into subsidiary considerations. The major debates currently raging about war, famine, agribusiness, debt, environmental/ecological degradation, GM, world trade and poverty all stem from one central cause. People are held into doing what they are doing because they seek to profit financially from their co-operation with others. Whether the "profit" is from speculative sale or sale of labour time becomes immaterial. Both are beholden to the same phenomenon: "it's the economy stupid!" The money economy has come to obscure the practicalities of everyday life."

Social credit and the National Dividend is the best way yet devised of returning the money economy to the practicalities of everyday life. The National Dividend liberates the present wage slave, enabling him to be a free man and citizen.

<u>ARMAGEDDON, AUSTRALIA</u> by James Reed: The front cover of the liberal-left NewStatesman, 15 August, 2011, has the full page title "The Coming Anarchy: Streets on Fire, Markets in Free Fall, Eurozone in Crisis, Can it be Stopped?" There is a whole edition of essays on this topic, but after glancing over the lot and skipping to the conclusion of each, I am uncertain of what their answer is: Maybe they are uncertain too.

I was surprised to find our own Mr. Optimistic Growth demographer, Bernard Salt "Road to Armageddon: Could Australia Look Like This in 2020", *The Australian*, August 25, 2011, p.29, entertaining some less than smiley-face thoughts. Manufacturing in Australia by 2030 or even 2020 would have shrunk like a grape in the Simpson Desert. The idea of outsourcing a nation's entire steelmaking capacity to China is he thinks "probably not a good idea" just in case there's a war. Our agriculture and tourism industries are also taking a whamming. For example, all of those Queensland theme parks are premised on families taking holidays, but with the "demise of the family" and people going to Asia rather than holidaying in Australia, there goes tourism. And the rest of the world "no longer views Australia as a compelling destination."

Then there is the rise of the new god on the block, China. Power will flow to China, the U.S. and West will decline. "A schism opens in the nation between those with the skills to engage in a global, but China-oriented, hemisphere and those left behind."

And who will they be? As I see it, China will buy up mineral resources, if not use military force to secure its dominance. Australians will have no hope in that globalised world. Our only hope is to reject the globalism of the Bernard Salts as it leads to "Armageddon" and embrace economic localism and social credit.

<u>NEITHER CONFOUNDING THE PERSONS NOR DIVIDING THE SUBSTANCE</u>: The balance and division of power by John Brett: How refreshing and encouraging to find the comments of Ainslie Van Onselen on the ACM (Australians for Constitutional Monarchy) site today. The gravamen of his comments was this: "Juries operate in the same spirit, devolving the power of an arm of government towards the people by allowing them to make judgments. While Her Majesty isn't likely to attempt to seize back control of our dominion, every component of decentralised government power decreases the likelihood that the sovereign could ever try."

As he is aware, no problem is ever solved by making it bigger, which is the undergirding principle of our Constitution, which disperses the power of men in government. As our governments and their critics move relentlessly towards republican-style dictatorial presidential central control of every other member of parliament, who have in turn, destroyed the apparatus of decentralised power, to the point where local government is now the instrument of premiers, who are in turn the vassals of the prime minister.

Our constitution was meant to protect us from these ancient tendencies of all government. Now our constitution is protecting the government from us, as our prime minister is fully aware. She won't have to be bothered with criticism or exposure of her dictatorial policies from the leader of the opposition, or the spokesmen on ACM's well read site.

What is even more dangerous is the alternative leader sitting quietly like a rabbit in a squat, knowing his 40-year-old ambition to be a prime minister is about to be fulfilled as the existing PM will be thrown out at the next election. He knows, governments are voted out, not voted in, so won't be making promises his masters will deny him when he falls into office.

"All power tends to corrupt and absolute power corrupts absolutely". Only we are the losers".

SOCIAL CREDIT AND TRANSITION MAPPING: Wendell Berry ("Higher Education and Home Defence", *The Social Crediter*, Vol.87, 2011) has some relevant thoughts on localism as a defence from globalism. First we need to see our opponents for what they are: "professional vandals": "Everywhere, every day, local life is being discomforted, disrupted, endangered, or destroyed by powerful people who live, or who are privileged to think they live, beyond the bad effects of their work."

They pillage the global village and lay waste to community in the name of money. These elites are "upwardly mobile transients" who have no alliances to place – all the better to destroy all places. There are no "homes". Secondly these professional vandals have a "higher education" so that this new class of elites can do its vandalism by thinking. This is especially so in economics and finance where the real operation of the system is disguised by high theory.

According to Berry, the universities have betrayed their mandate to serve local regions, embracing essentially a rootless cosmopolitanism; the universities have "worked instead to uproot the best brains and talents, to direct them away from home into exploitative careers in one or other of the professions and so to make them predators of communities and homelands, their own as well as other people's". Writing in her article "Transition Mapping for Local Authority, Part II', *The Social Crediter*, Vol.87, 2011, Dr. Frances Hutchinson points out that the present owners of the Monopoly game copyright are marketing local variations of the game, including a blank version where one can fill in local name places. This should get us to thinking about social metaphysics of our local area: who does what, owns what, does the work and benefits. This is a first step in seeing the distinction between the real economy of production and the abstract money economy, which essentially exists in cyber-space as computer blips.

Transition mapping occurs by "building up a picture of the institutions occupying sites in a town today, and comparing them with those of a century ago...it is possible to assess how authority has been centralised by the State and the corporate bureaucracies. By tracking local changes over the last century it becomes possible to plot alternative courses into the future". In particular we can envisage alternatives, such as communities not ruled by the international banking system. With our mind free, we can dare to ask: why should these faceless people rule us? This is the first step in clawing back our future.

U.S. REGULATOR SUES BANKS OVER SUBPRIME MORTGAGES: According to an ABC report: The U.S. government has confirmed it will file a multi-billion dollar lawsuit against 17 major

American and foreign financial institutions over losses of about $US200 billion on subprime bonds in the lead-up to the 2008 recession.

The lawsuits initiated by the Federal Housing Finance Agency (FHFA), which oversees U.S. property bodies Fannie Mae and Freddie Mac, surprised investors and dragged down bank shares. The FHFA accused Bank of America Corp and its Countrywide and Merrill Lynch units, Barclays Plc, Citigroup Inc, Goldman Sachs Group Inc, JPMorgan Chase & Co, Royal Bank of Scotland Group Plc and others of misrepresenting the checks they had done on mortgages before bundling them into securities. Before the financial crisis, many banks sold a type of investment called a mortgage-backed asset. The main component was an ordinary home loan which had been repackaged alongside other types of investments. But when many of these American borrowers defaulted on their mortgages, their assets – valued in billions on paper – were effectively worthless.

According to the lawsuits, the securities should have never been sold because the underlying mortgages did not meet investors' criteria. Bank of America faces three FHFA lawsuits, covering losses on more than $US57 billion of securities. JPMorgan faces claims related to $US33 billion of securities and Royal Bank of Scotland was sued over $US30.4 billion of securities. Several large banks are also negotiating with all 50 U.S. state attorneys-general on a comprehensive settlement to address mortgage abuses and limit future mortgage litigation.

Nearly all the banks that were sued declined to comment or were not immediately available for comment. Others called the charges unfounded.

"Fannie Mae and Freddie Mac are the epitome of a sophisticated investor, having issued trillions of dollars of mortgage-backed securities and purchased hundreds of billions of dollars more," said Mayura Hooper, a spokeswoman for defendant Deutsche Bank AG, in a statement. A Bank of America spokesman said Fannie Mae and Freddie Mac were trying to shift responsibility to banks after earlier blaming losses on other factors. The lawsuits reflects how different parties – including investors, banks and different government groups – are fighting over who should bear losses from a housing crisis that in 2008 drove the economy into its worst recession in decades.

Source: http://www.abc.net.au/news/2011-09-03/us-regulator-sues-major-banks/2869140

HUNTING THE GREAT STAGFLATION by James Reed: The Phillips Curve in Economics expressed an inverse relationship between inflation and unemployment. This was knocked on the head in the 1970s by stagflation: coexisting inflation and high unemployment. When you think about it, there is nothing about unemployment (due say to displacement of local workers by cheap Asian labour) preventing a rise in the general level of prices. In fact, mass immigration drives inflation, increasing the demand for commodities.

All very interesting since the Reserve Bank is predicting the possibility of Stagflation. (*The Australian*, August 24, 2011, p.1)

Not only that but the volatility of world markets will continue for years and may lead to greater financial and economic instability than the 2008 global financial crisis. And that most holy of holies has been questioned: continuing Chinese growth. The spectre of the Chinese economy faltering has been mentioned by *The Australian's* Paul Kelly. My, my, the elites are going to have some sleepless nights ahead of them. Social crediters can sit back with their survival supplies (you have got them by now haven't you?) and watch the end of the great capitalist horror movie.

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