

Financing of Fictitious Wealth With Fictitious Credit

Furthermore, the borrowing will not take place, and the money cannot be maintained if the would-be borrowers cannot put up sufficient collateral to prove their creditworthiness.

The government is considered creditworthy because Uncle Sam can capitalise the expected tax revenues from future generations of taxpayers in the form of government bonds, and the bonds are offered as securities in exchange for fictitious bank credit.

The same bonds, now in the hands of the banking system, are then used as collateral when the banking system "obtains" paper money marked "Federal Reserve Note" from the National Treasury, practically interest-free.

The citizen is considered especially creditworthy if he owns real estate. A large part of all real estate value consists of raw land value which is the capitalised value of the expected land rent from future generations of land users.

Government bonds and land values are forms of false capital or non-existent wealth. False

capital is capitalised unearned income arising from the monopolisation of the nation's credit and the nation's land rent. When this huge false capital is financed with fictitious bank credit, the inevitable result is inflation.

The increasing cost of bank interest, inflated land rent and inflated taxes combine to cause a slowdown in business, in construction and in employment, in investment and in borrowing, in profits and in tax receipts, in optimism and in creditworthiness, and the old scapegoat the business cycle assumes the downward trend towards deflation, recession and depression.

To counteract this downward trend, the government must start its pump priming by deficit spending, selling more bonds, spending more money on projects which have absolutely no economic justification, increasing socialistic welfare programs and leading us further down the path towards communism.

And all that is required for the forces of evil to triumph is that good men do nothing.

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PR The Range Finder of Democracy

*** F H SHARLEY

The function of a voting system is to give the people the representation in Parliament they actually vote for by converting votes into seats in exact proportion to the votes cast.

If one party gets, say, 60 per cent. of the votes, another 30 and another 10 per cent., the voting system should secure them 60, 30, and 10 per cent. of the seats. Failing to do that renders a disservice to the electors, the candidates, and the nation.

As the voting system is the foundation of the Parliamentary structure it should be not merely the duty but a task for every Government to establish and maintain a voting system fair alike to electors, candidates and parties. Needed in South Australia and elsewhere, is an Electoral Ombudsman, for detecting and thwarting efforts made by political parties to make the voting system work for themselves only, instead of serving the people.

There is also a pressing need for the appointment of an Electoral Commission, charged with investigating:

- * The advantages and disadvantages of the present preferential voting system. For instance, there is the moral aspect of compelling people to vote preferentially for every candidate on the ballot paper.

- * The advantages and disadvantages of the first past the post voting system - voting by a cross - which is still in use in Britain.

- * The desirability of adopting the quota-preferential system of proportional representation, with its multi-member electorates, its single transferable vote, its optional preferential voting and election by quota.

Objections to the Single-Member Electorate System

Chief objections to the single-member electorate system are:

It does not ensure majority rule and often, in fact, results in the election of a Government on a minority vote.

It is necessary to obtain only a majority of votes (more than 50%) to secure election.

When two outstanding candidates contest the same electorate only one can be elected, the other then being lost to the State. By contrast in Tasmania, under proportional representation, at one stage the Premier and the Leader of the Opposition represented the same district.

Since we are compelled to vote preferentially for all our candidates, our preferential vote might lead to the election of the candidate we do not want. There is nothing democratic about the arrangement.

Single-member electorates can lead to uncontested seats, thence to public apathy, and finally to political stagnation, as during the Playford era. For instance in 1956 there were 16 uncontested seats. 169,255 electors were deprived of a vote, and of participating in the election of the Government. There was no election in the Frome electorate from 1938 to 1956, and none in the Yorke Peninsula district from 1941 to 1963. Of what use is a vote if electors have to wait 20 years to exercise it? In the Federal district of Port Adelaide, Liberal voters have had no one to represent them in Parliament since Federation. Of what use is a vote to them? They would fare better with multi-member electorates and P.R. voting.

Advantages of Proportional Representation Voting

- . Every seat is contested at every election.

- . No one is compelled to vote preferentially for a candidate they do not want.

- . Voters might please themselves whether or not they cast a preference beyond the first, but are urged to do so.
- . Each party gets all the seats to which it is entitled at every election.
- . Rule by the majority is assured, but with minorities represented in accordance with their voting strength.
- . Electors have a wider choice of candidates, and their choice is not limited to party nominees.
- . More votes are effective under P.R. than under any other system. In the Senate election in 1975, 91 per cent of the electors voted for winning candidates (thanks to P.R.), but in the election for members of the House of Representatives under the single-member electorate system only 56 per cent of the votes were effective. Yet these two elections were held at the same time.
- . Voters have a wider choice of candidates, and in normal circumstances Cabinet Ministers and other outstanding candidates are seldom defeated.

How the P.R. System Works

The P.R. system has two outstanding features which raise it above all other voting systems. The first is that it is only necessary for a candidate to get a certain percentage of votes, instead of a majority, to be elected. That percentage is called the "quota". The quota is found by dividing the total number of formal votes by the number of seats to be filled, plus one, and adding one to the quotient. In a three member district the quota would be one more than one-fourth of the votes; in a five member district it would be one more than one-sixth of the votes, and in a seven member district one more than one-eighth of the votes, and so on.

The other outstanding feature of P.R. is the single transferable vote. This enables a vote to be transferred to another candidate if the elector's first choice has already been elected by obtaining the quota, or, through the lack of sufficient support, has no opportunity of being elected.

There are really only two classes of votes, the useful and the useless. A useful vote helps to elect someone, a useless one does not, and has no value. Under the single-member electorate system many thousands of votes are wasted in State elections on the mainland, and hundreds of thousands in Federal elections. P.R. would turn most of them into useful votes, as it does in Tasmania.

P.R. in Tasmania

Tasmania has used P.R. voting and multiple electorates for House of Assembly elections since 1907. The five Federal electorates each return seven members. At the 1972 elections, hoping to win at least four of the seven seats, the Labour and Liberal parties nominated seven or eight candidates in each electorate. A minor party (United Tasmania Group) contested four districts, and there were several Independents. The number of candidates in each electorate ranged from 18 to 25, and averaged 20. From

that big field the people got the Parliament they actually voted for, namely, 21 Labour and 14 Liberal members. Result of the election was known within two days. Tasmanians understand and appreciate P.R. voting. They don't need How to Vote cards. They make their own selections. We should all do likewise here.

Age of Precision

The P.R. voting system was invented in 1857 by Thomas Hare, an English barrister. He was concerned because minorities were not represented in Parliament. He eventually discovered how it could be arranged.

This is the Age of Precision. We use precision instruments for a great variety of purposes, especially for weapons of destruction. Thomas Hare's invention was designed for the advancement of mankind, not for its destruction. It works so well that it has been called the Rangefinder of Democracy. That is exactly what it is.

After years of experience with P.R. in Tasmania a Chief Electoral officer said: "It is a sort of special Providence, automatically distributing votes until at last the full, fair strength of a party is properly determined." He should know.

Some day, perhaps, and it may be soon, inventions for the benefit of mankind will be adopted with space age speed, instead of being dragged along for a hundred years or so, particularly any ideas designed to improve electoral procedure. Democracy, now on trial in many countries, might then have an opportunity of survival.

Electoral justice is democracy's greatest need. It can only be attained through P.R.

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FROM OUR NEW ZEALAND CORRESPONDENT

OUR LOCAL BODIES continue with their campaign for "additional sources of revenue other than rates". Both the Municipal and the Counties associations have issued a dodger for inclusion with the rate demands; it amounts to little more than a request to put pressure on the local Member of Parliament. "Discussion makes it hard for major matters to be ignored".

No doubt you have heard the same sad story - the plight of the poor home-owner. To lighten his burden a share of the income tax is suggested, sales taxes are mooted, citizen taxes, and the like. All these devices have but one aim - to shift the burden from the site-owners on the "golden miles" to the people living in rented quarters.

It reflects little credit on the practitioners of local government that such schemes are put forward with such an air of sincerity. The mayors of our principal cities can usually be depended on to climb on the band wagon. But surely these people know that the central government has no money that it doesn't first get from the local people? The suggestion is made that only property owners pay rates. They must know that the rates are collected in the rents the tenants pay.

That it would be desirable to have the