

OUR ECONOMIC PROBLEMS – INDIVIDUAL AND COLLECTIVE BURDEN SHIFTING

The Australian Government, with the blessing of the Opposition, has committed our taxes by handing out a big chunk of this year's anticipated surplus, \$10+ Billion, to those they think will spend it quickly (and thus stimulate the economy and keep the so-called mindless masses pumping away on the consumption treadmill).

Our banks, of which the four biggest are in the world's strongest top twenty, have been underwritten by the Government; excuse me... the taxpayer. More Government intervention is promised. Taxpayers' dollars are being pledged by our Prime Minister to prop up sectors of our economy that are finding the going tough. As I see it, we are thus removing the burden of responsibility from poorly managed companies and households and passing it to taxpayers as a whole. What a bloody good scheme! Fail and get bailed out. This of course only happens if you are a car manufacturer, car distributor, farmer, bank or part of a politically sensitive sector of our economy. Too bad about the rest of the poor little sods dotted all over the country who will go broke! They don't have enough political clout to be invited aboard the gravy train. And anyway, the train is nowhere near strong enough to pull additional carriages of freeloaders. The present heavy payload, having convinced each other and most of the population that by papering over the widening cracks in our economic system they can stop the dam bursting; will drown millions of us.

What beggars belief is that it was only months ago that successive Reserve Bank Chairmen and Treasurers said that our economy was going gangbusters but overheated, and that demand-driven inflation was getting out of control! Things were, on balance, very good! Neither the Reserve Bank nor Treasurers seem to understand what causes inflation, which is an increase in the supply of paper money, not an increase in wages and prices. Those increases are a symptom but not the fundamental cause. So what's happened? If our economies, Federal, State, Local, Business, Family and Individual, were soundly based

and wisely managed, would so many now be facing implied (and in my view widespread) financial annihilation?

Instead of persisting with our lemming-like rush toward total economic meltdown, might there still be time to take a stand for fiscal prudence? Is not the time right to let the responsibility for poor corporate governance stay where it belongs... with the boards, senior executives and shareholders? Is now the time to return to fundamentals; such as ensuring at all economic levels that incomes exceed expenditure? What a novel idea! You may think me a simpleton to suggest that.

What if the excess created at all levels of the economy, just for once, was saved and invested? Set aside for personal, corporate and national development on badly needed infrastructure, rather than being wasted on trying to sustain an unsustainable consumption-driven, debt-fuelled, economic model. A corrupted system, in a drunken stagger, that must eventually implode and when it does cause devastation of the like we may have never seen before.

We cannot continue to shift the burden of responsibility to more and more debt that will become increasingly hard to pay back and eventually cannot be repaid. We will be bankrupted as a nation. We must pull our heads in, be accountable and responsible and start living within our means, as families, as local and state governments, as corporations and as a nation.

We have kidded ourselves in thinking we have been clever. Not so! We've just been lucky to live in Australia and be a part of a global commodity bonanza. Before it's too late, let's grasp this opportunity and take responsibility to get off the consumer powered treadmill and put our fiscal houses in sustainable order. However painful that might be at this time, it will be but a mild sniffle to the pneumonia we face down the track if we don't act now. Buck passing has to stop with each of us. A sound economic outlook is forecast for those that apply common sense and accept responsibility for living within their means. Dire consequences await those shifting responsibility to the Government, believing that they have the power to spend our way out of trouble. With that strategy, they will do nothing

but delay the inevitable... and in so doing, create even worse economic chaos and greater personal hardship for all but the truly wealthy (and there aren't many that actually fit that category).

In Summary

Driving home today I read an outdoor advertising billboard. It said almost everything I'm trying to say in eleven words: "It's not coz we can't. It's coz we can't be bothered!" Pictured beneath the words was a new toilet roll sitting on top of a dispenser with an empty cardboard roll left on the metal spindle. Below that were the words: "Chill." Beside that was a picture of a popular brand of iced coffee. Further on I came across another of those ads. The words were the same: "It's not coz we can't. It's coz we can't be bothered!" This time it pictured a gift that had been wrapped as only a year old could have achieved. In both ads the surface message implies: "Don't get upset by what others do; just 'chill' with our iced coffee." In fact, it's cool not to replace the toilet roll or not bother making a neat job of wrapping a gift, and "cool people drink our iced coffee." Trivial, you might say. But at a deeper level, the message is just another reaffirmation that it is cool to be irresponsible. The ad tunes into the growing level of irresponsibility, making it a badge of honour to be uncaring of others and unaccountable to do what is decent

Final Words

If you have made it to this point you will know that I have struggled with my own lack of responsibility. I still do. Like everyone, even at 67, I am still work in progress.

Critics of this piece might say that I am just a grumpy old man. That is certainly true on a bad day. Others, who understand the principle of Thought, might say I can only see the world through my thinking and my thinking is jaundiced toward irresponsibility. It is true, each of us can only see through the prism of our own thinking. It is equally true that once we have had a wakeup call we see the obvious... that which we were once blind to.

Australia, at this point, is on balance an irresponsible society. I trust that my grandchildren, great grandchildren (and yours as well) will live in a country where

responsibility for one's life – spiritual, physical, environmental and financial – will be the norm. If that comes to pass we will see people that are psychologically independent, deeply loving and thus interdependent, physically robust and fearless custodians of our planet – men and women who have moved beyond the mental prison of irresponsibility.

For that to materialise we must recognise that the buck ends with each of us. No more shifting the burden of responsibility. The future is up to you and me.

By John A Wood