



F.A.C.S. REPORT

"A Monthly Newsletter on the Relevance of the Christian Faith"

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The recent fall in the price of gold raises yet again the issue of gold and its place in the life of man. That the gold price fell *after* the Australian government had sold about two-thirds of its holdings indicates that it was not the dumping of the gold that necessarily caused the sudden price drop on world markets. Anyway, there is always an active market in gold, which is why they maintain a price.

Even the sale of the gold in itself is revealing. The Australian officials no longer believe that holding gold is the best use of assets. It has liquidated its holdings. But for every seller there *must be* a buyer. So who, in the world, is buying the gold that is being sold?

One recent report indicated that net gold holdings by central banks around the world has not changed significantly. This means that the gold that has been sold when central banks such as Australia's sell off its holdings, is being purchased by other central banks. We do not need to look too far from our shores to find out who is hanging on to gold: Taiwan and Korea for example.

A further question occurs, however. Why do the Australian officials *now* decide that it is no longer worthwhile to hold on to gold? After decades of building up reserves and holding on to them, it would appear a new breed of government official is in the decision-making seats of bureaucracy. This younger generation of men perhaps does not have the understanding of gold that has historically been held. This is not surprising, given the current standing gold has in the economic text books. Despite this low standing in some quarters, the gold price is reported daily, along with major share price and share indices movements. As far as the investment market is concerned, then, gold is an important product, so important that it is reported in the news daily.

Gold in the Hills

by Ian Hodge, Ph.D.

Investment portfolios are put together in four broad categories: cash (including private and government securities), shares, property, and physical assets such as gold. Investors make or lose money in all of these segments, depending on the relationships between these categories. By judiciously moving assets from one area to another, investors can capitalise on the segments that are at the top of the investment returns at a particular time. (A safe strategy suggested by one adviser is to split investments equally among the four groups).

In this context, it is possible to understand why there is the daily reporting on gold. Any significant price change say in cash or shares would probably result in a change in the valuation of gold. So, too, the price movements in gold are an indicator of what is happening elsewhere in the market.

As the gold sales indicate, however, not everyone in the world thinks the same about gold as the Australian officials. There is thus a huge bet going on in the inter-government marketplace. Some are betting their future on gold; others are abandoning gold in favour of . . . paper?

This is a most curious position. It takes no time at all to discover that you can buy a ream of paper for about six dollars. Try buying the same weight of gold for that price. You'll be laughed out of the bullion store.

If paper is of so little value, why should it take the place of gold, which

has been money for hundreds of years? Since the market has not valued paper so highly, only government legislation coercing the use of paper currency explains why paper has replaced gold as money.

Now an ounce of gold could keep me in reams of paper for a year or more. But if I have all the paper I need, I don't need more paper. I need more of something else. And to get that "something else" I need something to offer in exchange. Money has served to make the barter system sophisticated and complex. Without money, the economy would remain simple, since there would be no common medium of exchange with which to make comparisons.

The fact that we have paper (and now plastic) as money has only been made possible by the historical position of gold. Gold was — and remains — real money. Paper has always been a substitute for gold (or other valuable metals such as silver), and without that substitutionary quality, paper would never have made it to be the accepted currency it is today.

The paper value of a \$20 note is minuscule. Its commercial paper value is realised in the pulp mills. As currency, it becomes exchangeable for whatever face value the government chooses to stamp on it. It could stamp \$10, \$20, \$50, or \$100 on the same size piece of paper, and they expect citizens to honour the value stamped on it.

By and large, people do honour the value of the currency. That is, people who live within the borders of

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the Australian nation-state. No such luck with people who live elsewhere. They do not happen to share the valuations Australian government officials place on pieces of paper. They will take payment in their own currencies — or gold, thank you. Some of these neighbours have a healthier view of gold than we do. That's why they've taken the opportunity to stock up on Australian sales.

A Distant Relic

We are now two or three generations away from gold. Even though we may comprehend the *intellectual* arguments for gold, the *practical* issues are beyond understanding, or at least difficult to fully appreciate. The fact is, the economy is working. It may be limping; it may be staggering. But it continues. The US stock market, for example, continues to boom, even though many share values are giving returns at less than 2%. For most of us, our work continues, we get our paycheck, and so we survive a little longer on a system which we know intellectually to be bankrupt but yet practically survives and keeps us alive along with it.

The reason these practical issues are beyond us is a simple one. We are all born into, have lived most of our lives, and continue to live using paper currency. We have known no other (unless you appreciated the

value of silver back in 1966 and traded the early 50 cent pieces for their silver content.) Thus, we really have no comprehension of life using gold as money. And because none of us has any trouble exchanging his paper currency in the marketplace, there is little demand for a return to gold.

If we understand this as a psychological issue, and we can recognise in ourselves that while we may *intellectually* assent to gold as money we will *practically* stick with paper, then we can realise that the only thing that can bring change is a collapse of the economic system of such magnitude that it will force many more people to consider the connection between the practical and the theoretical.

The sell-off of government assets, from the Commonwealth bank to the gold holdings has been done to hide the amounts owed by the governments. The pressure to put some government institutions on a profit-making basis is also an attempt to apply financial responsibility. The efforts at reform, however, are not as substantial as some would like to see. Only where they have sold enterprises to the open market has there been genuine reform. Being involved recently in assisting two government entities develop budgets and business plans, I have first-hand experience of the extent to which some bureaucrats will go to prevent the move to a market-based system. Added to this are the political pressures from the voters. This, too, will prevent genuine reform in many areas. Australians are not yet ready to give up their "entitlements". After all, they've paid their taxes; they want "their" money back.

The lowering of the interest rates, again a controlled activity, is a further attempt to manipulate the economy rather than let it run on a free-market basis. The lower interest makes borrowing easier. This adds to the inflationary spiral, unless the borrowings are offset with real savings elsewhere in the system.

The technological revolution, in addition, is bound to play havoc with the affairs of the nations. Consider this: the nations of this world have become dependent upon their taxing system for their survival. But they can only impose taxes within the borders of the nation state. Outside the borders, a nation has no jurisdiction.

"What's Really Wrong with Public Schools"

by David Chilton

The usual argument against public education is very convincing. And very wrong. It runs something like this: Public schools have become breeding grounds for violence and sexual promiscuity; they often are outlets for socialist propaganda; they now constitute a formidable enemy of Christianity (by teaching evolution and prohibiting prayer and Bible reading) and of the family (by teaching sex education and deriding traditional authority structures). And so on—which is not an unmitigated tragedy since it is being used under the providence of God to lead more and more Christians to abandon the system of public education; that is certainly a good result.

Unfortunately, the argument above is deceptive. It is not an argument against state education, but only against certain perceived ills of public schools as they now exist. Thus, even among Christians who agree with the argument, you will find the following attitudes: (1) "The real problems exist in the inner-city schools, but there's nothing wrong with public schools in a rural, Christian community with traditional values." (2) "We should work to make public schools more moral, by pressuring our legislators to reinstitute prayer and abolish sex education." (3) "We should try to force the public schools to give Creation 'equal time' with evolution." These and similar positions all attest to the fact that much of the opposition to public schools is merely pragmatic. We are very willing for the state to control education, as long as we can be reasonably sure our children won't be beaten, drugged, or raped in the library. To put it bluntly, we want our socialism, but we want it clean. If only the public schools would teach what we want them to teach, we would be happy to have our children's education funded by legalized theft. Quite an interesting position, philosophically: we'll give our children a "moral" upbringing by robbing our neighbors to pay for it.

As Christians, we do not argue against abortion simply by citing the dangers of malpractice; nor should we consider it sufficient to oppose state education simply because of its evil consequences. We do not work for safer methods of abortion; nor should we work to improve public schools. The basic biblical argument, you see, is that the very existence of state schools is immoral—regardless of the level of "morality" contained in them.

According to the Bible (see, e.g., Romans 13:4), the state has an extremely

What, then, will happen when the Internet provides money transfers for the individual? There is no paper trail with electronic transactions. Tax compliance requires reporting: reporting by individuals, reporting by employers, and reporting by banks. But there is no compulsion for foreign employers or foreign banks to report to the Australian government.

Just as the personal computer has helped decentralise information, so the Internet is going to make this an even wider application. We are already seeing the break-up of the big corporations as they downsize. The corporate state will follow suit if the trends continue. And there is nothing on the horizon at the moment to suggest momentum is slowing. Power — real power — is being transferred to the individual.

There are few lifetime jobs available. Now it is a matter of possessing skills that can be applied for specific projects. Once the projects are over, then it is necessary to find another project in order to keep employed. This will demand not only the necessity to have several skills in one's toolkit, but will also involve the ability to learn rapidly in a rapidly-changing environment. Employment agency, Recruitment Solutions has identified this ability to adapt quickly as one of the key requirements of workers in the future.

Conclusion

Watching the financial affairs of the nations is like sitting in the middle of a race where the contestants have disappeared from view. When they emerge, who knows what the status will be. So, too, our nation waits on the brink. While it waits, manufacturing continues to disappear overseas as more and more Australians buy cheaper foreign goods rather than buy Australian made higher priced goods. The recent reversal of the Australian government concerning its reduction in car tariffs beyond the year 2000 is indicative that at the end of the day, politics will take priority over what should be done.

Hope for reform in our lifetime is not good. There is no real answer to the politics of the nation-state and its wealth-redistribution program. Conservative churches are not dealing with the great issues of the day. Edu-

limited function, which may be summed up in two points: punishing criminals (as defined by God's law) and protecting the law-abiding. That's it. God has appointed civil rulers as His ministers, and their responsibility is to administer His laws. The Bible severely limits the powers of the state—and just in case rulers might misunderstand the extent of the commission, God built a "strict constructionist" interpretation right into the law: the ruler "may not turn aside from the commandment, to the right or to the left" (Deuteronomy 17:20).

The Bible does not give rulers the power to educate children; that responsibility belongs to the family. State schools are, therefore, immoral in principle. They exist only because God's laws have been violated—by greedy rulers who covet the powers of deity, and by greedy citizens who covet "free" education at their neighbor's expense. Viewed in this light, it is no wonder that the public school system has spawned a generation of illiterate criminals who assume the world owes them a living. Why not? According to their parents, the world owed them an education; they're just extending the logic.

The rise in public-school crime and violence is nothing but the result of a humanistic superstructure built on a rotten foundation. It is quite predictable; in fact, it was predicted in Deuteronomy 28, in the list of the curses which necessarily fall upon a culture that departs from God's law. If our educational principles are not founded on God's word, we have shut God out of our system of knowledge—and committed cultural suicide. Romans 1:28-32 tells us what happens to people who will not have God in their knowledge: it reads like a modern report card on "citizenship."

"But," it may be objected, "if the state doesn't provide education and force citizens to submit to it, some parents won't bother to do it themselves." This is true. It is also true that some people don't brush their teeth. We should, therefore, provide free dental care and send bureaucrats to each home every morning and evening, armed with dental floss, to enforce oral hygiene on the population. Right? Where do you draw the line? You draw the line where God draws it: in His law. God has defined the responsibilities and limits of the state, and whenever it falls short of those responsibilities or transgresses those limits, it is playing god. The inevitable result is national damnation.

No matter what objection you have to all this, it fails the ultimate test: conformity to God's law. When you say the rural, "moral," community-oriented public schools are still OK, all you're saying is that the full harvest of apostasy hasn't caught up with them yet. But the fact that none of your bad checks have returned is no justification of forgery. Those wonderful schools are possible only by the illegitimate benefi-

cence of the deified state which plunders your neighbors to give your kids a free lunch. There's just no way around it. Public schools are immoral, and always have been—even in the bygone, halcyon days of old, when students got regular doses of birch rods and McGuffey readers.

Look at yourself for a prime example. You went to a "nice" public school, and you didn't turn out so badly. You didn't take LSD in 5th grade, you didn't carry a switchblade in Jr. High, and you were a virgin on Graduation Day. State education didn't pervert you. Or did it? Consider your reaction to this essay. (Never mind that I'm begging the question for a minute.) Regardless of the biblical evidence, you still find it hard to swallow that the state shouldn't do something beyond God's requirements. You think the argument that public education involves theft is somewhat "abstract." Face it: you're a socialist. Many of your ideas about the proper role of government were fed to you from K through 12, and it's like pulling teeth to get rid of them. I'm constantly running into sincere Christians who are absolutely aghast at the thought of abolishing unbiblical governmental regulation. ("How will the mail get delivered?") I even heard one theologian boldly assert that the value of gold and silver comes from the paper money behind it!

The real problem with public schools is that they exist in the first place. They are an ungodly, unlawful, collectivist institution. The many evils now spewing out of them derive from the curse of God inflicted on the institutions that defy Him. He has commanded parents to educate their children in terms of His law; that cannot be done in a public school. If we want our children to fear Him, to grow into diligent workers for His kingdom, we cannot afford to train them in an institution which has as its fundamental presupposition that, "I am entitled to as much money as I can vote out of my neighbor's pocket."

Prayer doesn't belong in a public school (Proverbs 28:9). Your money doesn't belong in a public school. Most of all, your children don't belong in a public school. Institutions premised on sin must not be redeemed but abandoned. We cannot send young maidens into brothels in the interests of "equal time for chastity." As the light of the world, we must set the standard. Our Lord never called His people to help build the tower of Babel in the hope of getting a Bible study in the basement. He commanded us to build our own city on a hill.

(This article appeared some time back in *Line Upon Line*, published at least four times a year by the Parents Education Association. A free subscription is sent to those who ask to be put on the mailing list and support this work. Write to: P.O. Box 1482, Beaverton OR 97075.)

cation, even when it has the name "Christian" in front of it, still fails to grasp the issues that have reduced the Western world from its former glory. Some will not even concede that Western Christendom was at all a step up in the world. For them, the unbelieving nation-state with compulsory education, high taxes, abortion and the promise of taxpayer-financed cradle-to-grave security is more tolerable than a Christianised nation with freedom in education, low taxes, the sanctity of human life, and the promise of cradle-to-grave security by God rather than the state.

The Bible is clear: there is no future for those who deny Him. This means that time is on His side and therefore ours. While we recognise the failures of the world around us and the seeming inability to make change, our calling is not necessarily to change the world. Rather, our calling is to be faithful in the events of life that God has ordained for us. For most of us, this will not involve changing the world. But it may mean changing ourselves (humanly speaking), restoring order in our families, educating our children in right principles, treating others in the marketplace in a way that is honouring to God. And maybe, just maybe, if we can be faithful in these things in our lifetime, then God might grant us the desires of our heart to see even greater reform in the nation.

This is the currency we should be seeking.

Brian Abshire in Australia

Rev Brian Abshire will be appearing at the following places at the date and times indicated during his time in Australia:

September 21:

Morning Service: Wynnum Presbyterian Church (Brisbane) Contact Rev George Logan: Tel (07) 3893 1712

Evening Service: Mitchelton Presbyterian Church (Brisbane) Tel (07) 3851 1265

September 23:

7:00 - 8:30 am. Men's Breakfast, "The Zambia Connection." Abundant Life Fellowship, Cnr Nerang-Broadbeach Road & Chisholm Road, Carrara (Gold Coast) Cost: \$10 Tel: (07) 5530 7003, Rev Glenn Samuel, to let them know you'll be there.

September 24:

6:00 - 8:00 pm Men's Dinner, "The Zambia Connection" Mitchelton Presbyterian Church, Ruby Street, Mitchelton. Cost: \$10. Tel: (07) 3851 1265 or (07) 3355 2921 for bookings.

September 25:

Deaking University, Geelong, Victoria. Contact Arnold Rowntree, A/H (03) 5248 2198, B/H (03) 5272 2679

September 26

7:00 pm. Dinner: "The Zambia Connection" at Lakemba Baptist Church, Cost \$25 per person Contact Rev Bob Burcher Tel: (02) 9750 9305 for bookings

September 27

Conference: "Rebuilding a Christian Culture" Bankstown International Hotel, commencing at 8:30 am, Cost: \$35 single, \$65 Double. Tel: (07) 3851 1265 or (02) 9750 9305 to register.

September 28:

Morning Service: Lakemba Baptist Church (02) 9750 9305.

September 30:

Parliamentary Luncheon hosted by Rev Fred Nile, MLC, 12:30 - 2:30 pm. In the Waratah Room, Parliament House, Macquarie Street, Sydney. Light Luncheon with donation of \$5. Tel: (02) 9230 2132 for bookings.

15th Anniversary

FACS on the Internet

Since the beginning of this year, we have been developing the FACS web page at <http://majesty.aqua-soft.com.au/facs/>

Our page carries selected articles from our archives. Each month we update it with additional articles.

We have been receiving encouraging feedback from those who have managed to locate us on the Web. And not just in Australia, but folk around the world have been visiting our page on a regular basis. Over 100 people visit our site monthly. We do not know what they read. Perhaps they simply

browse the list and go away. Others stay and read and the odd person thanks us for the material.

When we commenced this ministry 15 years ago we did not expect to be distributing our materials electronically. Printed newsletters, while remaining with us for time to come, probably will not last. Electronic publishing is here.

Your prayers and financial contributions allow us to continue this ministry in a unique way. On this 15th anniversary of our publishing program, we thank all those who support our work with donations (cash and otherwise), prayers, and help in other ways.