

The Coming Four D's

(Updated 07/09/2017)

Over the last 17 years we have witnessed an increasing loss of confidence by voters in liberal democratic governments around the world. The 17 years have truly exposed the fact that politicians have personal agendas beyond serving the needs of their electorates. As political confidence fails, economic confidence fails soon after. Despite confidence failing, the economy seems to totter on fuelled by the vast money expansion of the last 9 years, unprecedented in human history.

Nowhere is this more apparent than in Australia where voters prefer having a "hung parliament" than trusting government. Many Australians feel a sense of unease that something has gone terribly wrong with the "lucky country". The spontaneous ordering of the Australian electoral process has delivered a series of difficult to govern parliaments reflecting the wishes of voters to minimize damage to themselves. Unfortunately, this situation is also leading to the collapse of political confidence in this country. When that happens, economic confidence fails soon after. Many indicators illustrate an underpinning weakness of the Australian economy and this is accelerating.

Emerging Events foresee a time coming (very soon now) when "The Four D's" will come to bear in most liberal democratic countries around the world including Australia.

These Four D's, like the Four Horsemen of the Apocalypse are:

1. Deleveraging (reduce debt). In Australia it is not so much public debt that is the issue like the US, Japan, UK, Italy, France and others but private debt held in the form of home loans, car loans and consumer loans. Australians today are loaded with debt and at risk of a severe downturn in the economy and property prices. Remember that any debt is a claim on future labour.

2. Deregulation. Over the last 40 years we have seen a massive growth in the amount of red tape choking our ability to get up and achieve. It was Frederick Hayek, the famous Nobel Prize winning economist who said "there is no better way to enslave a people than to enmesh them in a fine set of regulations". Disempowering career politicians is a powerful solution to ending their crony ways and getting more people into parliament with real world experience. It can be done by setting term limits for politicians. Let them "serve" the electorate for just a few terms before thanking them and sending them on their way.

Unfortunately politicians need to be seen to be doing their job and of course that job involves passing legislation. It's actually cheaper to send all those Federal politicians on junket trips overseas than to see them pumping out more legislation. Their need to regulate your life is the Progressive agenda and Progressivism is the "strong presumption that government intervention (force) will produce a better result than voluntary society". In other words, they know better than you how you should lead your life.

3. Deflating the economy. This really means letting prices of everything find their own level rather than being artificially propped up. Since most asset values are overpriced anyway given the quantity of paper money that has been inflated enormously over the last 40 odd years. What we are suggesting is the value of money be allowed to recalibrate at 2016 values to allow money to once again represent a store of value as property, shares, and others assets do today. In other words it should have equal status as an asset. The best way of achieving this is by making money a store of value again, thereby stopping politicians from endless borrowing and creating endless inflation. While 1 or 2 % inflation may not

seem much, it is enough to keep you like a rat on a treadmill, constantly grinding to maintain your standard of living. It doesn't have to be this way folks. The rising perception that inequality is increasing in many liberal democratic countries stems directly from the expansion of money supply.

4. The first three D's will happen regardless of all the politicians and all their minions' attempts to control the levers of the economy and society at large. The belief they have any control is delusional at best and the consequence of this belief in the long term is, inevitably, a totalitarian state. The fourth D, possibly the most important is up to us and possibly the most important in securing all the rights and privileges available to you from the liberal-democratic tradition you have inherited. The fourth D is about decentralizing or devolving power now concentrated in the hands of federal government. **By that I mean we need to devolve power concentrated in the hands of federal government to state and local governments.**

We need to remember the political class makes its living from centralized power and the attendant division it causes. But why should ordinary Australians accept the false choice between one brand of centralized government and another, when the obvious solution is staring us in the face? Breaking up power politically is far more practical, and far more humane.

There are two pressing questions you need to ask yourself. Is centralized governance desirable in a vast country like Australia with a population of 24 million people? More importantly is it even really *possible*? Are overarching political solutions workable, or does politics simply enrich Canberra politicians while feeding the rapidly deteriorating social and economic wellbeing most Australians are experiencing?

In politics, the principle that a central authority such as a federal government should have a lesser function, performing only those tasks which cannot be performed at a more local level is called "[subsidiarity](#)". Subsidiarity as a peaceful approach for devolving centralized power is the first step toward making government smaller and less powerful in our lives. National and even supra-national governments are the biggest threats to human liberty and flourishing because they have a monopoly on violence and coercion: armies, police, missiles, central banks, economic sanctions, centralised taxation, healthcare and welfare. These are the elements of systemic contagion that should terrify us.

Decentralization of power requires more than just devolution of a few powers here or there, but a society-wide commitment to transferring power, authority, and responsibility back to the grass roots. From federal to state, from state to local government. A diverse society can sustain itself peacefully when its members are committed to solving problems as locally as possible, involving higher levels of government only when absolutely necessary.

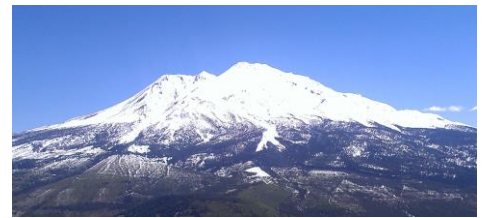
Your local council may be incompetent, but at the very least it is far more accessible to you. Its damage is likely to be contained, and your ability to change local council may only require moving a few suburbs away.

Subsidiarity is the most realistic and pragmatic approach to creating more freedom in our lifetimes. Winning majority support for supposedly universalist political principles is a daunting challenge. We would do well instead to consider the Swiss federal model, which champions the subsidiarity principle where:

Powers are allocated to the Confederation, the cantons and the communes in accordance with the principle of subsidiarity. Note this was how the Australian constitution was originally set up.

The Confederation only undertakes tasks that cantons (equivalent of shires) are unable to perform or which require uniform regulation by the Confederation.

Under the principle of subsidiarity, nothing that can be done at a lower political level should be done at a higher level.



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One of the problems the EU faces at present is that they have lost sight of the subsidiarity principle. More and more control has been handed to Brussels. This is one of the factors why many Britons decided to vote to leave the EU.

Imagine Bill Shorten or Malcolm Turnbull campaigning on the idea in 2019: "I can't claim to know what's best for Maroubra, Sydney or Frankston, Victoria or Bunbury, Western Australia in every situation. I'm not omnipotent, and neither are the 150 members of the Commonwealth House of Representatives. We should leave most things up to the people who actually live in those towns. Vote for me if you agree."

Subsidiarity is not perfect, just better. Freedom, in the political sense of the word, means the ability to live without government coercion. It does not mean the ability to live under broadly agreed-upon social norms, simply because truly universalist political norms are so elusive.

Free societies don't attempt to impose themselves politically on electoral minorities any more than they attempt to impose themselves militarily on neighbouring countries. Politically unyoking different constituencies in Australia makes far more sense than attempting to contain the hatred and division created by mass majority outcomes.

The world is moving toward decentralization, flattening itself and replacing hierarchies with networks. Subsidiary is real diversity in practice and a key solution to restoring the inequities that have arisen in our societies.

Whether we embrace these Four D's or not, some or all of them will soon be imposed on us anyway.

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