



# ON TARGET

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*The price of Freedom is eternal vigilance* —

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Thought for the Week: "There can be no doubt that the subject of Finance is, in many senses, guarded by Black Magic. Intrinsically, nothing could be simpler. You bake a loaf of bread; you give someone a white pebble; next day the white pebble is offered to you, and you exchange it for the loaf, and everyone is happy. A more complex system is demanded by a more complex economy, but the fundamental principle that money ought to be simply an accounting demand system never changes, but is never observed."

— C.H. Douglas, 1949.

ONCE MORE TO "THE SUMMIT": Japanese sources report that Australia is to join the top seven non-Communist industrialised nations at a major summit conference in Japan in June of next year. The Japanese conference will be the fifth of a series of economic conferences, none of which has had the slightest effect on the deepening world finance-economic crisis. But, as we have consistently pointed out, the international planners who have masterminded all international conferences for many years, actually welcome crisis as essential to stampede people into surrendering more control over their own affairs. The immediate major objective of the international planners is the establishment of the "New International Economic Order". But like the establishment of the European Economic Community, the N.I.E.O. is not an end in itself, but another major step towards the ultimate objective of creating World Government.

Back in 1973 Dr. Henry Kissinger, speaking on behalf of his financial masters, was openly advocating that the energy, financial, food and population problems should be used to develop a "new international order". Shortly afterwards, as mentioned by Jeremy Lee in his book, "Upon that Mountain", the United Nations Sixth Special Session on Raw Materials and Development in April 1974 formally endorsed a declaration on the establishment of "a new International Economic Order."

Such is the appalling ignorance of Prime Minister Fraser that he probably felt initially that his finance-economic policies would produce the glowing results he predicted. As the promised results have, like a mirage, moved progressively further away, Mr. Fraser, encouraged by Foreign Minister Andrew Peacock, has taken up the theme that Australia's internal problems are linked with the problems of other countries, and that "international action" is essential. He has accepted the concept of the "New International Economic Order" probably without even understanding its full implications. But support for the concept is seen as one way of trying to persuade Australians that the Fraser Government is not primarily responsible for the internal finance-economic situation. It is not surprising, therefore, that the Prime Minister is reported to be enthusiastic about the prospect of attending the next international economic summit conference.

But someone might point out to Mr. Fraser that, as warned about two thousand years ago, there can be dangerous temptations at summits, temptations based upon illusions about power. He might also have his attention directed to the observation concerning the eyes of the fool being on the ends of the earth. Unless the Fraser Government reverses its present destructive policies, and shows the rest of the world how a modern industrialised society can make available expanding security and freedom for all, all that Mr. Fraser can contribute in Tokyo is a record of his own failures. But it is the combined failures of those attending the summit which will be used to attempt to push forward another step towards the World State concept.

YET ANOTHER ANTI-INFLATION PROJECT: Sounding like Prime Minister Fraser, President Jimmy Carter told Americans in a national television broadcast last week that they faced a period of "national austerity. Hard choices are necessary if we want to avoid consequences even worse." President Carter did not say that natural disasters have produced a shortage of food. Americans have such an abundance of food that they are desperately trying to send it elsewhere, even to Communist countries. American beef producers want to keep Australian beef out. President Carter did not say that America lacked the natural resources to house themselves adequately. He did not say that the most sophisticated industrial system in the world was not capable of producing all the essentials for a modern society. Why then the talk of "austerity"? Because President Carter has discovered, like the politicians of all industrialised nations, that inflation will not go away while present financial rules are slavishly followed. The current inflation rate in the USA is estimated to be 9.5%. Attempting to score some party political points, former President Ford claims that during his period in office the American inflation rate fell from 12% to 4.8% per annum.

What he did not say was that in order to reach the inflation rate of 4.8% - and this only temporarily - American unemployment was increased to a new record post-Second World War level. Former President Ford naturally made no reference to the large number of business bankruptcies resulting from his anti-inflation programme.

So long as finance is treated like Black Magic, with man-made symbols called financial credit being accepted as a reality instead of merely a reflection of reality; and so long as the financial symbols are all issued as a debt carrying interest charges, it is mathematically certain that inflation will continue. All attempts to reverse inflation must, under present financial rules, produce economic dislocation, unemployment and fuel the fires of revolution. Not only is President Carter doomed to failure, but his policies are making a significant contribution towards the intensification of the international crisis being exploited to erect the "New International Economic Order."

The only point of some significance in President Carter's policy is his proposal that should inflation be higher than his proposed 7% limit on wages, that wage earners accepting this limit be given a tax rebate. A massive reduction in taxes would be the first step towards constructively reversing inflation. But this proposal invariably is met by the plaintive bleat from victims of financial Black Magic, "But if a Government reduced taxation where would it obtain the money for necessary activities such as Defence?". The short answer is that it would obtain it from the same source it obtains its large budget deficits. So far from attempting to reduce these deficits, they should be increased to enable what is physically possible and necessary to be made financially possible. But with one major change: instead of the financial credits being issued as an interest-bearing debt against the real credit of a nation, its natural resources, its people and their productive capacity, they should be issued as a credit at the cost of administration. The first nation which uses the financial system as a proper bookkeeping system, reflecting reality, will turn the tide in the battle to sustain what little Civilisation is left.

BRIEF COMMENTS: The massive swing against the Victorian Liberal Government in the Ballarat Provincial by-election will increase the mounting ferment amongst Prime Minister Fraser's restive back-bench. Victorian Liberals were shocked by the size of the swing - 9% - against them. If the Victorian Labor Party can maintain its Ballarat showing in the coming State Election, it must be given every chance of winning. The shallow approach of the Victorian Liberals was demonstrated by the post-election comment of State President,

Mrs. Joy Mein. She did not think that Federal issues, including unemployment, had played a major part in the Liberal set-back. She said that "There is a great deal of good being done by both Governments - Federal and State - and these things are not getting through." Better communication was necessary. "I can see a much brighter light ahead. The Prime Minister has taken a strong and necessary stand and his initiative should begin to pay off very soon," she said. As the full impact of the 1978 Budget takes effect, no amount of better communication is going to halt the anti-Liberal slide. Back-bench Liberals at Canberra should now be pressing for a change of leadership, with both Fraser and Peacock going - and a change of policies. Time is running out - fast - for them.

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Can Prime Minister Fraser really be as ignorant of finance as he appears? Last week in Parliament he called on major trading banks to cut their interest rates "in line with the Government's push for a lower overall interest rate structure." The Reserve Bank, instructed by the Government, can with one stroke of the pen have the interest rate of the trading banks lowered immediately. Why hasn't the Government's new Primary Industry Bank given a lead with lower interest rates? Prime Minister Fraser has in fact endorsed the interest rates set by the Primary Industries Bank.

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Our predictions concerning the "Camp David Agreement" between Israel and Egypt are being confirmed daily. The former terrorist leader Begin has bluntly said that Israeli settlements on the West Bank of the Jordan will continue. This statement confirms the fears of the Palestinians. President Sadat had to respond, but has been temporarily soothed by President Carter - plus a promise of massive finance support to Israel to evacuate the Sinai. Iraq and Syria have been brought together by developments. The mind boggles at the news of a Nobel Peace prize for Begin the former terrorist and man responsible for the last destructive Israeli raid on Lebanon in which large numbers of innocent civilians were killed. The end is far from near in the Middle East crisis.