



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

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Category "B"

The price of Freedom is eternal vigilance—

Vol. 14 No. 41

November 10th, 1978.

Thought for the Week: "Perhaps the greatest tragedy is the attitude of the Church to such temptations (of power) as now lie before Australia. There is a wilful evasion of all political and economic responsibility by those who should be to the forefront in 'wrestling with principalities and powers'. The safe seclusion of the prayer group and the Church bazaar has left the real battlefield without a Christian banner; consequently those who lust for 'power over all these things' seem to have a monopoly in the lists. The price to be paid in spiritual darkness before the light dawns cannot be estimated." — Jeremy Lee in "Upon That Mountain".

PRIME MINISTER FRASER'S INTEREST RATES: Just on twelve months ago, prior to the last Federal elections, Mr. Malcolm Fraser promised Australians that his Government would reduce interest rates by 2% over the next twelve months. Mr. Fraser also promised that taxation would be reduced. In yet another attempted cosmetic operation, the Prime Minister announced a mere ½% interest rate reduction on some bank loans to coincide with the start of the increased direct taxation imposed by the August Budget. The massive tax increase on oil was imposed shortly after the Budget, but apart from reducing the purchasing power of every motorist, has yet to be reflected in higher prices resulting from increased transport and associated financial costs.

Mr. Fraser's latest public relations gimmick offers a quarter only of the promised interest rate in an attempt to offset the total breaking of the promise on taxation. Anyone capable of a little simple arithmetic can see that the minimal reduction in financial costs resulting from a ½% reduction in interest rates will be swamped with the taxation increase. Even if the Federal Gov. could persuade the Arbitration Court not to grant wage-earners sufficient wage increases to compensate for the inevitable increase in financial costs resulting from higher indirect taxation, this

would mean a further reduction in effective purchasing power, less demand on the production system, more difficulties for all sectors of the community, and a further stimulus to the unemployment figures.

As we have constantly pointed out, the Government and the Reserve Bank have the authority to adjust interest rates at any time they desire. For reasons which are not clear at present, for the first time on record the announcement of a change in the interest rate came from the Trading Banks and not from the Reserve Bank. However, there had been, as stressed in the statement by the Governor of the Reserve Bank, Mr. H.M. Knight, consultation between representatives of the Trading Banks and the Reserve Bank. Either because of ignorance or design, much of the comment concerning the interest rate issue has been fostering the dangerous myth that the banks can only re-lend what they have received in deposits, and that therefore high interest rates are inevitable because of the high rates necessary to attract deposits. The truth is, of course, that all bank overdrafts originate as new financial credit created by a stroke of the pen. This credit could be issued at cost plus a reasonable profit, which would be a fraction of present interest rates. (The irrefutable facts are clearly presented in "The Money Trick", price \$1.45 posted.)

Echoing Mr. Fraser, Acting Treasurer Robinson predicted that the reductions in interest rates "would boost confidence, reduce the business cost structure and stimulate capital expenditure." Events will prove Mr. Robinson's predictions as worthless as past predictions. Should businessmen be "conned" into major capital expansion by a $\frac{1}{2}\%$ reduction in interest rates, this would mean an expansion of the money supply under conditions which must inevitably mean more inflation. The Fraser Government is caught tight in a developing situation which can only be resolved constructively by a break from its present finance-economic strategy. The complete abolition of Sales Tax and an issue of some Central Bank Credit at the cost of issue would be a major start in the right direction.

SPECIAL "ELECTORS' VOICE" NOW READY: After a slight delay caused by a technical problem, the special issue of "The Electors' Voice" mentioned in our issue of October 27th, is now rolling off the League's presses. Because of the wide scope of material, with emphasis on the "New International Economic Order", the issue has had to be expanded to 12 pages. Those who have seen the issue have described it as a "beauty". Big orders have already been placed and are being filled. But this is only the start. Can we hear from all actionists in all electorates? Bulk prices remain the same in spite of bigger paper - 50 copies \$5; 100 copies \$8; 200 copies \$14; 500 copies \$32. In the face of a deepening crisis, with Mr. Andrew Peacock determined to sell Australia's independence, the League has demonstrated that it can produce the answer. All that is now

necessary is for League actionist to distribute that answer. We predict that this issue of "Electors' Voice" will cause more ferment than anything yet done by the League.

CONSUMER CREDIT: The following letter appeared in The Scotsman (August 14th) of Edinburgh. It was republished in Housewives Today (U.K.) October 1978 from which we are pleased to republish it.

"Sir,

Mr. George McCarthy's article on inflation is gloomy with hardly anything constructive, unless the suggestion that the unions should keep the rise in wages down to 5%, could be called constructive. However, this argument confuses the causes of inflation with the effects of inflation. Demands for a rise in wages are not a cause of inflation, but an effect of inflation. It would be possible to raise incomes for everybody without raising prices, if the correct technique were used. First we must disabuse ourselves of the idea that we have too much money chasing too few goods. In fact, we are suffering from over-production and under consumption, a combination which is inevitable in a modern world of labour-saving devices; thus making technological unemployment inevitable. This state of affairs (over-production and under-consumption) is proved by the popularity of hire-purchase. Why should credit, which is issued by the banks, always involve the charging of interest by banks? It is this constantly mounting indebtedness to the banks, which never give money - but always lend it at interest, which is one of the causes of inflation. Banks lend at interest both to governments and to business enterprises.

Why should credit always be a producer-credit? Why not introduce consumer-credit as well? Since we are suffering from too little money chasing too many goods (our emphasis..On Target) it is high time this was introduced. Consumer-credit could be given outright to employers to enable them to pay higher wages. It could be given as a form of pensions and family allowances which could then be issued without taxes and contributions. It could also be given to enable retailers to sell below cost, thus reducing prices and reversing inflation. To make all this possible, we need a new kind of budget based not on income and expenditure, but on a ratio between physical production and physical consumption. Money is not a commodity, but should be a ticket system. When are we going to de-hypnotise ourselves?

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FROM FATHER A.R. LEWIS - CHAIRMAN OF RHODESIA CHRISTIAN GROUP:England Revisited (from the June/July Occasional Newsletter of the R.C.G.)

"My six weeks visit to Britain with my wife was an unforgettable experience. The relief of finding that we were not, like some, to be turned back from the country of our birth. The overwhelming welcome

from our relatives and friends - though we missed many - and the demands to be heard on every side. Yes, there was much to encourage us, though we soon found the ordinary people are virtually helpless. On the platform and in the pulpit and in house meetings I was able to put the case for a Christian Rhodesia and get fair reporting in the local press. But once the Anti-Apartheid Movement got on my track there were problems and fun. Alerts were sent to arrange pickets at universities I had no thoughts of visiting. Headlines screamed: 'Apartheid Priest in Cambridge' and 'Smith's Man in Town'. The Special Branch (to whom I give a bouquet for courtesy) were told I had 'slipped through the immigration net', and it was bruited abroad that the R.C.G. holds marches with the National Front. A demand for my deportation was made in Parliament. The climax was at Bristol University Union, where I had been invited to speak on Rhodesia's Christian future, but was not able to even say a prayer. Hundreds wanted to listen, but a few dozen assorted Leftist clowns staged the most astounding circus, howling obscenities at me, and each other, for fifty minutes to the manifest vexation of the helpless majority. As I left the hall, I was preceded by T.V. cameraman walking backwards, as before royalty. It did us a power of good! The Church is genuinely doing its job at ground level in Britain, but, like the nation, is almost destitute of moral leadership. The Archbishop of Canterbury's contribution to the Rhodesian debate in the House of Lords had no spirituality in it. I met the leaders of what is now the Christo-Marxist 'United Society for the Propagation of the Gospel' which purports to have struck me off its list. I broke off writing this letter to hear the radio news: twelve British whites, mission-teachers and their families have been hacked to death by 'Patriotic Front' terrorists at the Elim Pentecostal Mission near Umtali. Four adults and eight children, including a 3 weeks old baby. Women were first sexually assaulted with vicious brutality. I wonder if U.S.P.G. and similar agencies are now satisfied with the work of their friends - the 'freedom fighters'. What uproar will issue from the Catholic Justice and Peace Commission, the British Council of Churches, and the Catholic Institute for International Relations? I nearly vomited when I heard that Dr. Owen, to whom the 'Patriotic Front' owes much of its success, expressed sympathy. Praise God that these courageous people go to their Lord knowing that they and their Church were never associated with the World Council of Churches and its murderous 'Programme to Combat Racism'. As an Anglican I hang my head in bitter shame at the complicity of my Church - shame mitigated by my own Bishop's castigation of British inaction."