



ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week: "All that matters is to grasp firmly and clearly that in a country like Australia or Canada the Age of Abundance exists, but is being denied to us, the citizens of our country and the heirs of our fathers, grandfathers..... Now if you believe it should be denied to us, then the action to take is to wreck the industrial system, as the apostles of revolution are doing. Inflation and penalisation suit their book admirably. So does the consequent social disorder, strikes, violence and intimidation. But if you want 'life more abundant' you will have to go after it. And the road is through your Member of Parliament."

- "The Crime and the Cure".

URGENT CORRECTION: Will all Western Australian League of Rights supporters please note that there is a mistake in the date of Annual State Seminar and Dinner as given in the advertising brochure. The correct date is Saturday, August 2nd, NOT July 2nd. The correct date is given in all other advertising material.

THE WISDOM OF TREASURER JOHN HOWARD: Federal Treasurer John Howard's greatest asset is a capacity to sit in front of the television cameras and utter the most absurd nonsense, and sound and look as if he believes it. Perhaps being a lawyer enables him to speak to any brief, even if contradicting what he has said earlier. Remember when he and Prime Minister Fraser insisted that interest rates were being forced down, and would continue to fall? After a temporary fractional reduction, interest rates have gone up. And the Managing Director of the ANZ, Australia's second biggest bank, has foreshadowed further increases to 11.5 per cent in home loans. Mr. Howard came before the cameras and in his most earnest manner expressed the view that the interest rate increase was quite normal. He repeated the nonsense of spokesmen for the banks, who said that they would not be able to pay attractive interest on deposits unless they could charge

a higher lending rate.

But as far back as 1924, Sir Reginald McKenna, a former Chancellor of the Exchequer, and Chairman of the Midland Bank, was telling the Bank's shareholders: "I am afraid the ordinary citizen will not like to be told that banks can, and do, create and destroy money. The amount of money in existence varies only with the action of the banks in increasing or decreasing deposits and bank purchases. We know how this is effected. Every loan, overdraft or bank purchase creates a deposit, and every repayment of a loan, overdraft or bank sale destroys a deposit."

Dozens of similar authoritative statements are published in "The Money Trick" (\$1.50 posted). The October, 1978 issue of The Bank of New South Wales "Review" explains, under the heading, "Banks Create Money", how the bulk of a modern community's money is created in the form of financial credit - figures written in books. These figures could be written for the cost of administration, probably as low as the equivalent of 2 per cent interest. Low interest loans to the Communist nations demonstrate that bankers can provide credit at a much lower rate than normally. Higher interest rates mean higher costs for industry and more inflation. They also further penalise Australians wishing to own their own homes.

Higher interest rates are in keeping with Mr. Howard's latest announcement to the effect that the Federal Government's tough policies were going to stay. In some typical gobbly-gook, Mr. Howard says that "although the economy was performing better than a year ago, this should not breed complacency." From a production viewpoint, Australia has no problems. If, however, Mr. Howard is insisting that the building of homes for Australians should be restricted because of a shortage of building materials and skilled workers, then we would suggest that he and his colleagues remain satisfied with the present Parliament building at Canberra instead of building a new one. After all the politicians only use the present Parliament for a part of the year. But it is typical of the attitude of Mr. Howard and his colleagues: they are unable, or unwilling, to change financial policy to enable Australians to gain access to the abundance which is potentially available, but make sure that they have the best of everything. It is this type of attitude which is pushing Australia down a revolutionary slope. As Mr. Howard cannot apparently grasp the basic realities of finance-economics, then it is probably true that from his smug, self-satisfied viewpoint, he does not even understand that he is aiding and abetting the break up of a stable society. This means that he and those who think like him must be removed from the political scene as quickly as possible.

In the meantime it is certain that unemployment will remain high, particularly amongst the young, with increasing crime and acts of violence. And the Communists will ensure that the growing

industrial unrest continues.

TAX-BATTERED NEW ZEALAND STIRRING: Jeremy Lee reports from Christchurch, South Island, New Zealand:

"Just under a week ago, the New Zealand Prime Minister Robert Muldoon brought down the 1980 budget. A stunned New Zealand is still assimilating the fact that every family of four has an additional tax burden of \$24 a week, when the maze of direct and indirect impositions is totalled. With an 18 percent increase in total taxation, and a budget deficit of \$1,200 million on top, the budget must turn New Zealand into a disaster area.

The meetings have been almost bewildering in their intensity. Yesterday, for example, I ended up with six separate meetings. I addressed children in four separate high schools in the town of Oamaru - each meeting an intense question-and-answer session on unemployment, technology, money and incomes and action. I was staggered at the deep concern among school children, producing a very high standard of debate and some quite emotional reactions. At those four meetings between them we had a total of 1,700 children. We then had a hectic dash for 150 miles to Christchurch where we had a huge meeting in the Town Hall. An entry fee of \$5 was charged by the enthusiastic young group who had organised the meeting, and it says much for the feeling in New Zealand that about 600 people were in the audience.

It was one of the most constructive meetings I have addressed. On the 19th another seminar is being convened to get down to basic action. An entry fee of \$3 is being charged for the next one, and there is no lack of participants.

David Thompson, after driving me for the first week, is back in Auckland printing a new booklet on the latest Muldoon budget, which is destined to have a wide impact. He will be down for the next stage of the battle.

After last night's Town Hall meeting we had another get-together with a top Auckland tax consultant, who gave us a stark and succinct description of some of the amazing tax-avoidance measures increasingly adopted in New Zealand as self-protection by those industries still in operation. He stressed they are learning fast from Australia! We finally tumbled into bed about 2 a.m. But the pressure is still on as we head South to Dunedin and Invercargill.

Energy is also a major issue. It is something of a shock to put \$30 petrol in the tank with the needle still not reaching "Full"! I had the opportunity to visit a most interesting project at Oxford, not far from Christchurch. A Christian group now totalling over 140 people are running their own farm. All cottages are built to high specifications. Butter, bread, vegetables and meat are all home-produced in spotless buildings using effective but efficient technology. A huge methane gas digester produces the equivalent of 36 gallons of

petrol a day in methane gas. Eighteen vehicles, including trucks and tractors have been converted, and work perfectly, with instant starting and longer engine life. The engineer who built this stressed that every town and rural council, for an investment ranging between \$50,000 and \$80,000 could be running all its own vehicles off town sewerage methane, with extra gas to compress into cylinders and sell. In addition, disposal problems would be eliminated, as the resultant decomposed residue is a high quality nitrogen fertiliser with a ready market. It was a highly professional operation.

New Zealand allocated \$23 million last year to import diesel locomotives from communist Hungary, although diesel is one of the country's main headaches. This sum could have built about 230 units like the one I saw, and still had a balance to invest in cylinders and vehicle conversion kits. Many similar examples are beginning to dawn on the New Zealand consciousness, and people are becoming angry. If this anger can be channelled into effective and constructive action, New Zealand is going to be an inspirational example to other countries before long.

Above all, there has been a strong expression and response to the need for a spiritual awakening which is deep enough to produce a practical spin-off. There is a real search for the means to make Christianity a practical way of living and rebuilding. The dim shape of a vision is beginning to emerge. There are still plenty of revival groups who haven't reached this stage, but a new thing is beginning to happen. Desperation is thus becoming hope - and we can all feel a sense of privilege in being participants in the evolution.

BRIEF COMMENTS: "Stagflation" - rising prices in a deepening depression - is eroding President Jimmy Carter's chances of being re-elected. With Senator Kennedy still persevering with his campaign, Carter may be tempted to resort to desperate domestic and foreign policies. Responsible American commentators claim that the next few months could see "explosive" developments in the U.S.A.

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National Country Party leader, Doug Anthony and his party colleague, Mr. Peter Nixon, are threatening trade reprisals against the European Economic Community because of the EEC's protectionist agricultural policies. As we predicted, all their talk, including that of Prime Minister Fraser, has not had the slightest effect on the finance-economic realities driving all nations to try to solve their internal problems by increasing exports and restricted imports. The Communists are delighted with the hotting up of international trade war.