



ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week: "Our freedom of choice in a competitive society rests on the fact that if one person refuses to satisfy our wishes we can turn to another. But if we face a monopolist we are at his mercy."
- F.A. Hayek, author of "The Road to Serfdom".

THE CAMPBELL REPORT AND THE CREDIT MONOPOLY: One consolation about the Campbell Report is that in the present political climate, not even Treasurer John Howard would dare to suggest that its recommendations be immediately implemented. As the League of Rights will, at a later date, be publishing a comprehensive examination of the Campbell Report, we propose here only to make reference to several major features, the first and most important being that a committee which allegedly made a comprehensive study of the present financial system, did not comment on the mechanism of credit creation by the banking system. A report which Mr. Keith Campbell claims documents the "inadequacies" of the present financial system, makes no reference to the manufacturing of the bulk of the nation's money supply in the form of financial credit.

As far back as 1924 the Rt. Hon. Reginald McKenna, one-time Chancellor of the British Exchequer, spoke as Chairman to a meeting of the shareholders of the Midland Bank, stating, "I am afraid the ordinary citizen will not like to be told that the 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." Giving evidence before the 1955 New Zealand Royal Commission into banking, Mr. H. W. Whyte, chairman of the Associated Banks of New Zealand admitted quite frankly that banks create financial credit when they make loans or grant overdrafts, stating, "They have been doing it for a long time, but they didn't quite realise it, and they did not admit it...You will find it in all sorts of documents, financial textbooks, etc..." But the Campbell Report's references to interest rates imply that these are

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governed by the rate of interest paid to depositors. It is not the "efficiency" of the present financial system which needs consideration, but the question of who owns the credit of a nation. As financial credit is created against the real credit of the nations, its productive capacity, and that real credit obviously belongs to the Australian people, then why should the banking system, centrally controlled by the Reserve Bank and the Treasury "experts", have the right to claim that the real credit belongs to them, to be issued only as a debt, and although this is created by the stroke of the pen, impose astronomical interest rates? It is not surprising that the biggest industrial organisations in Australia, those like B.H.P., which generally are contributing towards expanding the nation's real credit, show a relatively small increase in assets and profits compared with banking organisations. The latest banking information was provided last week by the Bank of New South Wales, whose profits alone jumped from \$123 million to \$165, an increase of 33.2 per cent in the annual profit. The previous week the ANZ reported a profit of \$175,4 million, up 29 per cent.

Building Societies, which do not have the power to CREATE money, operate quite satisfactorily on the small margin of difference between the interest they pay on deposits and those they charge borrowers. It would be instructive to know why those who have the power to create credit cannot operate at, say, 3 per cent? It was generally believed that the rash of bank amalgamations was in anticipation that the Campbell Report would recommend that more international banks be permitted to operate in Australia. The main thrust of the Campbell Report is to assert in the name of "efficiency", that progressive centralisation in the banking field is desirable, as witnessed by the dangerous suggestion that State Banking be limited.

And, finally, we have seen no suggestion by the Campbell Report on how the greater "efficiency" proposed is going to halt the escalation of debt. During the five years of the Fraser Government's "free enterprise" policy, the total national debt per head of the population has increased a massive 67 per cent. Mr. Keith Campbell has created a reputation as an accountant. He appears to believe that figures are more important than reality.

(Recommended reading: "The Money Trick" \$2.00 posted; "The Creation and Control of Credit 60 cents posted; "The Monopoly of Credit", by C.H. Douglas \$6.00 posted. This last work, re-published in 1979 with an introduction by Dr. Geoffrey Dobbs, shows the connection between the chronic shortage of purchasing power in relation to prices, progressive inflation, and the centralisation of power. Douglas wrote in the Preface to the 1950 edition that relentless imposition of the Monopoly of Credit, which means the effective domination of human activity, threatened the early destiny of the human race.)

crisis is that the Communist system will not work. Every nation run by Marxists has problems. Only massive economic blood transfusions from the non-Communist world, financed in the main by international banking houses like Rockefeller's Chase Bank, has kept the Communists operating. Alexander Solzhenitsyn has, along with other authorities, insisted that the quickest way to end the Communist nightmare is to cut off the economic bloodtransfusions. But even the Reagan Administration insists on helping to feed the Soviet. Western European industrial organisations have been in the forefront of the policy designed to make Western Europe increasingly dependent upon Soviet gas. These organisations have the contracts for the gas lines and necessary equipment, which is being provided on credit.

A major part of the Polish problem is its huge international debt, in excess of \$23,000 million. Not even the interest can be met. Instead of meeting the threat of Soviet military intervention in Poland by applying economic sanctions against the Soviet Union, the international bankers are pressuring Western Governments to underwrite their debts by inviting Poland to become a member of The International Monetary Fund. More credits are being made available. Mr. Fraser's "anti-Communist" Government is, according to reports, proposing to extend \$40 million to the Polish Communist Government. One Pole has written to "The Age", Melbourne (November 20th) urging that no credits be extended, stating, "May I remind our Government that Poland has illegally confiscated properties belonging to Australian citizens and is thus continually ignoring accepted standards of international law. The Polish Government has to this day flatly refused to return the 'nationalised' properties to its rightful owners, or pay compensation."

It would be interesting to have Mr. Fraser and his supporters explain how they are opposing Communism when they are also providing the economic aid (at the expense of Australians) to prop up Communist regimes. Assistance direct to Polish families, if this can be organised, is, of course, another matter.

BRIEF COMMENTS: An official of the UN international bureaucracy, a Dr. Jan Pronk, deputy secretary-general of the UN Conference on Trade and Development, has told Australians that they are not contributing enough in foreign aid. Dr. Pronk was speaking at the fifth National Labor Economists' Conference at Canberra. Dr. Pronk's impudence was endorsed by Labor leader Hayden, who described Australia's aid efforts as "shabby and shaming". Our view is that present foreign aid is too high and should be reduced with benefit to the Australian taxpayer. Much of the present aid is going to pro-Communist governments. Proponents of the New International Economic Order advocate that a form of international taxation should be imposed.

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The Saudi Arabian peace plan for the Middle East, which implies Arab recognition of Israel and the establishment of a sovereign Palestinian

State, has resulted not only in strong Zionist Opposition, but also in opposition by all Soviet-oriented radical Arab groups. And genuine stability in the Middle East would be a disaster for the Soviet. The Zionists have no intention of agreeing to justice for the Palestinians.

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At last a number of public figures in Eire and the United Kingdom are starting to admit that the new wave of terrorism by the IRA is designed to produce a revolutionary situation in both Eire and Northern Ireland as a prelude to creating a Marxist-dominated Ireland. The tactics proposed by the Rev. Paisley would play in to the hands of the Marxists and it is encouraging that the Ulster Defence Association and most Protestant Church leaders have declined to follow Mr. Paisley. Perhaps Mr. Al Grassby should be sent to Ireland to show how harmony can be achieved in a multi-cultural society like Ulster, where over one million Ulster citizens of predominantly Scottish background, the great majority being Protestants, strongly reject being part of a "united" Ireland. One obvious move towards a solution would be to reduce the present size of Ulster, permitting those predominantly Roman Catholic communities which may wish to join Eire, to do so. Economic assistance for those who wish to move to the South could prove much less costly in the long run for the British taxpayer. Every attempt to impose centralisation can only assist the Marxist-backed IRA.

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Dr. Geoffrey Caldwell, of the Centre for Continuing Education at the Australian National University, has a few sensible things to say about a "leisure-oriented society; not the usual bilge which one has come to expect from academics.

Dr. Caldwell said that in a society with a leisure ethic, people would spend more time pursuing activities which they enjoyed. He was giving one of a series of talks on the general theme - "Life After School". Inevitably, the fear is expressed by some people that "working class people" would not undertake leisure activities, and that "idleness will lead them to excessive drinking, gambling, etc., etc. "People do not like the idea of others having more of the good life." The basis of leisure is economic. With adequate economic security few people would need grog, gambling, to lessen drudgery.

INSPIRATIONAL GIVING: A burst of inspired support for the Basic Fund of \$45,000 has given it a tremendous impetus. Since last week supporters have donated or pledged \$9569, taking the total to \$22,684. The balance required should now be a "push-over" for the great majority who have not yet contributed.

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