



# ON TARGET

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*The price of Freedom is eternal vigilance—*

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Thought for the Week: "The visible consequences of the withering of our religion are enormous, overshadowing, frightening. Christianity was much more than a religion comparable to the religion of Osiris in early Egypt, the worship of the Olympian gods, the Orphic mysteries, or Mithraism. Unlike these cults in their time and place, Christianity for a large part of our history was the whole formal basis of our entire culture, the absolute from which were deduced our moral codes, our laws, and our political systems; it largely informed our art, inspired our literature, animated our music, and sustained our men of science."

- Dr. Revilo P. Oliver in Christianity And The Survival of The West.

BELOW THE SURFACE OF THE FROTHY LOANS AFFAIR: By Eric D. Butler,

The froth of what has been termed the "foreign loans scandal" has unfortunately obscured the deeper implications of this affair. Intent on stressing the point that Whitlam, Connor and Cairns had gone about their attempted loan-raising in a secretive and unorthodox manner, dealing with shadowy figures, some only hinted at but not named, the media generally has been more concerned with providing Australians with sensationalism than the real essence of the loans issue. While it is true that The Age, Melbourne, on its own admission, bought evidence "which had been withheld from the Parliament and the people", and paid for documents "which revealed previously unpublished facts bearing on the credit and the credibility of the Government's financial dealings," it, along with most of the media, also seized the opportunity to present the affair as some type of human interest saga. Circulation is as important to the press as the "public interest":

Admittedly all the ingredients of human drama have been present: There was the mysterious T. H. Klemlani, the intermediary who was to lead Mr. Connor to the fabulous petrodollars. Senior Treasury officials so strongly disapproved of Mr. Connor's fund-raising methods that they had Scotland Yard make investigations about Mr. Klemlani. "Uncle Harry" Gilham, the London finance broker, made a distinctive contribution with sold documents, claiming that he also had others damaging to the Whitlam Government. There were stories of documents forged, and of others being burnt. The activities of Phillip Cairns, exploiting his position as a member of his step-father's staff, in association with the incredible Sear Cowles, a self-confessed liar, are but incidental to the main story. But they didn't help Dr. Cairns, who emerges as a man who could not be trusted to run even a school tuck shop, still less a major Government Department.

Irrespective of how Dr. Cairns came to sign the fateful letter to Melbourne businessman George Harris, offering a brokerage fee of 2½ per cent. if a foreign loan could be arranged, the truth is that Treasury

officials brought a copy of the letter to the attention of Dr. Cairns and urged him to withdraw it. This was prior to Dr. Cairns claiming in the Federal Parliament that he had never issued such a letter. Miss Junie Morosi's husband, Mr. Ditchburn, made his contribution to the drama by suggesting in a radio programme that the letter was "slipped in" with other papers and that Dr. Cairns had not realised that he had signed it. While Prime Minister Whitlam had no alternative to first removing Dr. Cairns as Treasurer and then from the Ministry, he was no doubt hopeful that this would not only remove the strongest potential thwart to his leadership of the Labor Government, but also tend to direct attention away from the loan-raising activities of Mr. Rex Connor. But this was not to be and so, in typical Whitlam manner, a special meeting of the House of Representatives was called for Wednesday, July 9th, with the Opposition challenged to "put up or shut up." It must be conceded that after a massive build up by the media, the Parliamentary clash was a non-event. Mr. Whitlam admitted that Mr. Connor had been authorised to raise loans of up to \$4,000 million. But his Government was only doing what all previous Governments had done, except in a different manner. Nothing illegal had been done, a point which Mr. Whitlam challenged the Opposition to dispute. The debate did not touch the fundamental question of why the Government was attempting to obtain loans at all. The only suggestion, supported by Mr. Frank Crean after being elected Deputy Prime Minister, was that the loans were too great, and were being sought in the wrong manner.

During the early days of the controversy the well-known Queensland consulting economist, Mr. W. Herbert, went right to the heart of the subject, asking why was it necessary for Australia to be seeking overseas finance capital to develop Australian resources. An able and persistent critic of the policy of importing foreign finance capital into Australia, Mr. Herbert has over many years outlined that in practice the policy means that contra-credits are written by the Australian Reserve Bank against credits deposited with a Central Bank in some other countries, and that Australian Governments, Government or semi-Government Authorities, and economic organisations in Australia can then use these credits by the normal process of writing cheques against them. There is a clear addition to the Australian money supply. But if this money is to be used to pay Australians to operate machinery, most of it made in Australia, or already paid for by Australian exports, to develop Australian resources, then why must it be borrowed abroad? If Mr. Whitlam, Minerals and Energy Minister Connor, and their supporters are so keen to ensure that Australia's vast natural resources are developed and controlled by Australians, why do they not adopt a financial policy which enables the necessary development to be financed domestically? Why seek to increase enormously Australia's foreign indebtedness? As Mr. Malcolm Fraser is in favour of obtaining foreign capital to develop Australia, it is understandable that his main charges are against the Whitlam Government's "unorthodox" methods of attempting to raise overseas loans. Generally overlooked as a result of the loans controversy is the fact that the Whitlam Government has been raising foreign loans in the traditional manner, the latest being \$100 million in New York. There is no doubt that that Senator Wriedt was telling the truth when he reported that during a recent visit to Zurich bankers had told him that they were not afraid of dealing with Australia. He did say that these bankers did not like the concept of intermediaries. Naturally. They do not want to share the commissions! Senator Wriedt also said that the Zurich bankers said they found nothing wrong with Australia seeking \$4,000 million to develop its mineral resources. It would be instructive to learn from Senator Wriedt how much equipment and expertise Australia needs to import to help develop mineral resources, and whether genuinely required imports could not be paid for by exports.

In view of the size of the proposed Connor loan, and the manner in which it was authorised, the Whitlam Government is vulnerable to the charge that perhaps it acted unconstitutionally by describing the loan as being necessary for "temporary purposes," thus by-passing the necessity of obtaining Loan Council approval. According to Mr. Whitlam, the Executive Council was advised by Attorney-General Murphy, now safely on the High Court, that the Loan "could probably be regarded as borrowing for temporary purposes within the meaning of the Financial Agreement." One of the most serious suggestions concerning the proposed Connor loan comes from the distinguished constitutional authority Professor Colin Howard, that Mr. Whitlam may have thought that the borrowed millions could be used to keep the Government afloat if the Opposition refused Supply. It is certain that the Whitlam Government will do everything possible to keep itself in office. But it will be disastrous for Australia if the Opposition forces the Government to face the electors on the Loan issue and then wins on an electoral backlash without making any firm pledges to the electors on much more fundamental issues. Unless a Fraser-Anthony Government can constructively reverse inflation, using for a start the proposals advanced by Queensland Premier Bjelke-Petersen, it can only preside over even greater disasters than those already suffered. This is a time for all responsible Australians not to be diverted from the basic issues confronting the nation.

#### MR. JEREMY LEE'S INTERSTATE TOUR.

Mr. Jeremy Lee, National Secretary of The Institute of Economic Democracy, will address two meetings in Victoria on his way through to South Australia and West Australia, the first in Shepparton on Tuesday, August 5th. The Shepparton meeting will be at the Overlander Motel, at 8 p.m., under the auspices of the vigorous Murray Electors' Association. The title of Mr. Lee's address: "What ratepayers can do about rising rates." This is a burning issue and all On Target readers are requested to be present at the meeting with friends.

Mr. Lee opens his West Australian programme on Friday, August 8th. He will be guest speaker at the W. A. Annual State Dinner on Saturday, August 23rd. An intensive South Australian programme follows the W.A. tour.

THE SOUTH AUSTRALIAN ELECTIONS: The swing against the Dunstan Government in South Australia was not quite sufficient to bring the Liberals to office. Mr. Dunstan's dramatic last-minute repudiation of the Whitlam Government, skilfully used to suggest to South Australians how unfair it was for Mr. Dunstan to be punished for Whitlam's policies, was a decisive factor in last Saturday's election results. Blatant bribery was used by the Whitlam Government with a promise that wine producers would be given some relief from a harsh taxation policy. And on the eve of the elections Canberra announced that agreement had been reached with the Japanese car organisations, Toyota and Nissan, for a joint manufacturing project of car engines in South Australia. The headlines statement obscured the truth that formal agreement is months away. 120 Australian and overseas artists were organised to declare their support for the Dunstan Government. An advertisement informed South Australians that "the South Australian Government has become a symbol in Australia, and other parts of the world, of enlightened and concerned leadership."

Mr. Dunstan's greatest asset was the lack of cohesive and constructive opposition. Liberal leader Eastick is a gentleman, but he is not a Bjelke-Petersen. And while the Liberals attacked Whitlam on the inflation issue, unlike the Queensland Premier they had no constructive alternative to put forward. The major issues were not hammered sufficiently, this being left to the Save-our-State Movement, which circulated tens of thousands of two excellent hard-hitting brochures. All League supporters were encouraged to put their full efforts behind the S.O.S. Movement and we are proud to report that League actionists did a sterling job on door-to-door distribution, one veteran walking an estimated 300 miles. The Dunstan candidates attempted to counter this with the slogan, "Dunstan fights, South Australian wins." If the S.O.S. grass-roots movement had not operated, Mr. Dunstan would certainly have had a more comfortable win.

**BRIEF COMMENTS:** The Japanese Government is making desperate efforts to overcome the depression conditions caused by a policy of major financial credit restrictions. The purpose of this policy was to curb an inflation rate which at one stage was approximately 30 per cent. Three major anti-recession programmes have already been attempted without much success. Now a fourth programme is to be launched in late August or early September. Worried Japanese business men are pushing for immediate action, claiming that Japan is threatened with skyrocketing unemployment and business bankruptcies. However, massive credit expansion can only re-stimulate soaring inflation. Japanese Marxists are delighted and continue to increase their support. The Japanese are threatened with the same disasters now affecting all non-Communist nations. A financial policy which will enable the free-enterprise system to serve the individual without inflation or deflation is the only hope of avoiding accelerating disasters in all non-Communist nations.

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The presence of the exiled Soviet writer, Alexander Solzhenitsyn caused a major traffic jam in Washington when Solzhenitsyn was the guest of honour at a banquet given by the AFL-CIO trade union confederation. In a hard-hitting address, Solzhenitsyn lashed the American policy of "surrender by detente". For 30 years ever since Yalta, "your statesmen signed one capitulation after another", the famous writer charged. He urged an end to concessions to the Soviet Union, which could not manage its "clumsy economy without U.S. materials and technological aid." Antony Sutton proves this in his National Suicide. President Ford originally said he was too busy to see Solzhenitsyn, but later issued what many saw as an indirect invitation to the Russian hero. But Solzhenitsyn has declined to seek a meeting. President Ford has been urged by Dr. Henry Kissinger not to meet Solzhenitsyn because it might harm American-Soviet detente.

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Reports from Darwin reveal that a mood of deep anger and resentment is developing amongst the people Canberra is regarded as the main enemy, its bureaucratic monster attempting to use Darwin for a Great Experiment. But six months after cyclone Tracy, not one new house has been built in Darwin. There has been little distribution of the flood of charity funds given by the Australian people. No wonder one writer describes Darwin as "a landscape of despair." It is a glimpse of what the whole of Australia would be if the Socialist dream of all power to Canberra ever eventuated.

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