



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

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The price of Freedom is eternal vigilance—

Vol. 12 No. 9

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Thought for the Week: "At the present time it is widely accepted among lawyers that law is higher than morality - law is something which is worked out and developed, whereas morality is something inchoate and amorphous. That isn't the case. The opposite is rather true! Morality is higher than law! While law is our human attempt to embody in rules a part of that moral sphere which is above us. We try to understand this morality, bring it down to earth and present it in a form of laws, sometimes we are more successful, sometimes less. Sometimes you actually have a caricature of morality, but morality is always higher than law. This view must never be abandoned. We must accept it with heart and soul".

- Alexander Solzhenitsyn in "Words of Warning To The Western World"

PRIME MINISTER FRASER ASTRAY ON REAL WEALTH: "The Prime Minister, Mr. Fraser, last night gave his strongest warning yet that the August Budget will be tough... In an obvious reference to the pre-Budget months, he said choices would have to be made. "The present wealth of Australia simply does not allow Governments to provide all the programmes politicians tend to promise. What we can do is limited by our resources and by growth in our productive capacities... The myth that Canberra is a bottomless pit of money must be destroyed. When we came to power the Commonwealth Government was the most bankrupt Government in Australia. The debts incurred will have to be paid. They can be paid in part by increased growth, leading to greater real wealth and increased revenue".

- Michelle Grattan in "The Age", Melbourne, March 13th.

Mr. Fraser clearly is confused about real wealth and monetary claims to wealth. The productive capacity of Australia is now so enormous that it can easily serve all the genuine requirements of the Australian people. The first requirement of life is food. If Mr. Fraser and his colleagues can point to one sector of the farming community not producing an abundance, we would be interested to hear about it. The plight of the beef producers needs no comment. Now the dairy farmers are in the same plight - excessive production in relationship to effective demand. Fruit growers have in recent years been paid to pull their trees out.

The second requirement of life is clothing. There are no problems here. And then there is housing. Is there any shortage of building materials - timber, bricks, cement and steel? Can producers quickly produce more if required? Of course they can! Ask Australian secondary producers, operating factories at far below capacity, if they could meet increased orders. The basic problem confronting all producers is one of obtaining an adequate financial return for their production, one which will cover all financial costs of production and provide a margin of profit. The productive capacity of Australia, most of it an inheritance in the form of know-how and equipment, is enormous. We challenge anyone

to deny this. Why, then, should there be any financial problem? The answer is that the Fraser Government is refusing to face the basic issue of finance. It is subservient to the dictates of the financial "experts". It is not a sovereign Government.

If it had not been for the new money created to finance the deficit which worries Mr. Fraser, there would have been a major economic collapse. It is not the actual deficit which is the problem, but the manner in which it is used. Most of the debt Mr. Fraser talks about is one created against the nation's real credit. The major part of it could be written off with loss to no one and great benefit to all. He can only liquidate this debt by taking more money off the people, leaving them with less purchasing power than they have now. Or he can hope that the private sector will increase its indebtedness. But this only shifts the debt burden from one place to another. And what has happened to that \$30 million borrowed from West Germany? This only added to that "excess liquidity" which Mr. Fraser and Mr. Lynch insist they are "mopping up".

Mr. Fraser has got reality and financial abstracts confused. While this confusion continues, Australia must unfortunately move into a period of ever-increasing convulsions.

ANOTHER MAJOR MOVE FORWARD

Enclosed with this week's "On Target" is the League's first 1976 brochure for mass distribution. It is designed to lay the foundations for a campaign which will have to be fought later as the Budget period draws nearer. It is a formal stand by the League so that its critics can have no excuses later. Please make sure that it is given effective distribution.

NATIONAL DIRECTOR TO CONDUCT ANTI-SUBVERSION SCHOOL IN SOUTH AUSTRALIA:

On Sunday, April 4th, the National Director will conduct this school at the Y.M.C.A., 76 Flinders Street, Adelaide. The Hall opens at 1.15 p.m. Those attending should be seated by 2.00 p.m. Last lecture finishes approx. 9.30 p.m. Tariff: \$4.00 per person: \$6.00 married couple: \$2.00 pensioners and bona fide students. Afternoon tea; tea break etc. Full details from 383-0114. Or write South Australian Director, G.P.O. Box 1297, Adelaide, S.A. 5001.

CONSERVATIVE SPEAKERS' CLUB: ADELAIDE: Mr. Jeremy Lee, National Secretary of the Institute of Economic Democracy, a Division of the Australian League of Rights, will be the Guest Speaker at the forthcoming Adelaide Conservative Speakers' Club's Dinner/Meeting on Friday, 26th March. Assembly from 6.15 p.m. Dinner at 6.50 p.m. Tariff: \$3.25 per person, drinks extra. Mr. Jeremy Lee's address will be on the theme - "Highlights of the Conspiracy Against Civilisation". Bookings: ring 383 0114...278 2517...296 7642. Bring friends; books on sale.

FROM BRITISH "ON TARGET" (MARCH 13TH): Debt Pyramid-Collapse on Way?: "One of the greatest single threats to the Western World's economic system is that the collapse of any one part of the staggering pyramid of debt - often inadequately secured - will bring the whole structure crashing down. "The series of world-wide bank crashes over the last two years has been a warning.

"On October 21st, 1975 the 'Evening Standard' reported that Hambros Bank's shipping chief has warned of the likely early collapse of a large number of shipping companies in the present recession. On

October 17th, 1975 the same paper had reported that £15,000 million in bank loans was at risk.

"Let us not forget that these 'loans' will appear as assets in the banks' accounts; and is money which has been created and lent. Some clue to the real stability of the banking system becomes apparent from this.

"That this danger exists is further confirmed in 'The Guardian' (January 12th, 1976) which reported that two of the three largest banks in the United States have been placed on the problem banks list by the U.S. Comptroller of the Currency, after audits revealed 'inadequate capital' and 'sharp increases in the assets of questionable value'".

WHAT REALLY ARE - 'BANK DEPOSITS': We have always been well aware that what trading banks refer to as their "deposits" are not solely made up of the actual funds of depositors. Loans on overdraft are referred to by the banks as "deposits" also. So that, as inferred in the article above from British "On Target", tables and statistics periodically released by trading banks often give a false reading of the true financial climate. Those readers who are old enough to remember 1929 will recall that a financial boom, almost overnight, became the worst financial depression in man's history. We were, therefore, most interested to scan the Reserve Bank of Australia "Statistical Bulletin" for January 1976. For therein, unwittingly no doubt, is indirectly given the very approximate relationship between actual bank depositors' funds, and the deposits on overdraft with the trading banks. And these figures would approximate all those of trading banks in the Western world.

The statistics given are of a technical nature, and would be out of place for discussion here. Nevertheless, the disclosures are quite definite. At the present time in Australia the proportion of "bank deposits" in the Trading Banks which are actual depositors' funds is approx 35%. The remaining 65% of "bank deposits" consist of bank overdrafts. These facts give added emphasis to the item, quoted from British "On Target", above.

QUEENSLAND ECONOMIST TELLS SOME (ECONOMIC) HOME TRUTHS: In the Brisbane "Sunday Mail" (December 7th, 1975) Mr. H. W. Herbert, in his regular column - "An Economist's View", lands some hefty punches against what could be termed Treasury orthodoxy. The Treasury's voice-box at the moment is Mr. Phillip Lynch. Readers will note that Mr. Herbert's article was published some days before the December Federal election, when the Whitlam Socialists were (temporarily) ejected from office.

Mr. Herbert called attention to the wasteful duplication of government functions which have grown in Canberra: really the usurpation by Big Brother of what are, properly, the functions of the States. Listed are - Housing, Roads, Railways, Agriculture, Irrigation, Hospitals, Education, Media, Tourism, Urban Affairs, Minerals and Energy, Manufacturing Industry. He adds: "The Constitution does not give the Commonwealth these functions". Noting that the Liberals did promise to index income tax in three years, (which is now most unlikely due to Treasury opposition) he observes: "Would it not be much more sensible to give this same relief in the form of lower prices instead of higher incomes?" We could not agree more.

As a suggestion Mr. Herbert puts forward the proposal that the Government could work out what indexing income tax is going to cost the 1976 Budget, then tell the public it is getting exactly that amount knocked off the price of petrol, stamps, phone calls etc. We note that there has not been any subsequent mention of a reduction in the prices of any of these items.

Turning to investment allowances, we are (correctly) told that it is rare to find investment leading

recovery from a slump. It is nearly always a recovery in consumption that later leads to new investment in factories, etc. Readers will note that Mr. Lynch, (Treasurer) is as busy as a beaver "mopping up excess liquidity" in order that consumers will be less able to consume, and investment allowances hence rendered increasingly irrelevant. Mr. Herbert is an overall supporter of the Petersen Plan. He insists; "temporary sales tax cuts (or subsidies) financed by a deficit, is the only weapon known that will both stimulate employment and reduce inflation".

BRIEF COMMENTS: Britain, through its Deputy Foreign Minister, Mr. Ennals, has announced that economic aid will be given to Mozambique. This "aid" is to compensate Mozambique, at least in part, for losses it will incur because of sanctions applied by it against Rhodesia. Weekly Review (U.K.) March 10th, observes: "Mozambique is a black left-wing dictatorship with concentration camps in which inmates are tortured, yet Britain, with its sliding pound and economic crisis, can spare cash to subsidise terrorism against British families in Rhodesia under the guise of supporting U.N. sanctions". There are thousands of Australians living in Rhodesia, and tens of thousands of immigrants from the British Isles. If a Vietnam-type war is escalated against Rhodesia, as seems probable, then the shock waves from this will almost certainly bring about a political crisis in Britain itself, and spread throughout the Crown Commonwealth. Retribution will yet come to those knaves and fools in the political arenas who are ready to sacrifice their kith and kin in Southern Africa for the confidence trick called "Majority rule". Nothing like that happens at all. The vacuum created by the withdrawal and expulsion of the European is being filled by the influence of Russian and Red Chinese Communism, operating through black dictatorships propped up with financial, military, technological aid from Moscow and Peking. The two main tribal groupings in Rhodesia are even now preparing for tribal war should the European ruling regime abdicate.

We have drawn attention many times in the past to subversive influences evident in the World Council of Churches, and the Australian Council of Churches, its Australian affiliate. In our issue of "On Target" (February 6th) it was noted that the Australian Council had called for a Socialist victory at the last December Federal elections. Happily, Australians rejected this "advice" along with the continual blast of propaganda which explodes from Left-wing Academia, particularly via the Australian Broadcasting Commission (A.B.C.) The Left-wing professors, lecturers, tutors, would do well to grasp the fact that they are largely talking to and propagandising themselves: they just don't go over with the man in the street, who generally has too much commonsense to be influenced by them. This may seem an incredible statement: yet we are insistent that as the human mind withdraws more and more into the avenues of abstract theory, contact with reality becomes tenuous, with the resultant loss of common sense. The Australian Council of Churches is now attacking a Government plan to attract more British migrants to Australia. As this is predominantly still a British country it must be a bad thing - to the Council.'

BASIC FUND: During the past week 20 supporters have pledged/donated \$884.00 to take the Basic Fund to \$32,746.80.

All election comment authorised by Eric D. Butler, 273 Little Collins St., Melbourne. 3000

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