



# ON TARGET

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*The price of Freedom is eternal vigilance—*

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**March 5th, 1982**

Thought for the Week: "The present appeal of socialism is not to the masses to whom it offers slavery, but to the ruling class to whom it promises power".

- British writer Peregrine Worsthorne.

THE TIGHTENING OF THE CREDIT SCREW: Prime Minister Fraser's knowledge about economic realities can be judged by recalling his enthusiastic support for "Reagnomics". During his visit to the U.S.A. last year, Mr. Fraser claimed that the economic policies of the Reagan Administration were similar to those of his Government. The Howard 1981-82 Budget suggested that Mr. Fraser and his colleagues accepted the optimism of President Reagan's advisers concerning the coming American economic recovery. But the American recession is deepening, with every sign that it is going to get much worse. The inflation rate has been slowed by a credit squeeze which is working havoc with the American production system, forcing increasing numbers of producers and retailers towards bankruptcy. Unemployment remains high. The inflation rate can certainly be pushed down a little further, but only by pursuing a policy leading to complete chaos. Thus the calls for an easing of the credit screw. But such an easing automatically results in further increases in the inflation rate. Creating more credit for still more production merely adds to the growing international trade war as all developed nations seek to keep internal economies operating by increasing their exports.

Desperately trying to survive politically in an economic depression their own policies have produced, Mr. Fraser and his colleagues are now blaming the international depression for their problems. This is an indirect admission that the over-paid "experts" who claim to be "managing" the economy did not foresee what obviously was going to happen in the U.S.A., Japan and Western Europe. Upon his arrival in Canberra last week, the President of the European Economic Community, Mr. Gaston Thorn, said, "When I look around the world today I see a very bleak picture. Unemployment in our community (the EEC) is close to 11 million people and 40 per cent of these jobless are under the age of 25. This statistic represents a potential of social and political tension which will rack our community." Growing friction is developing inside the EEC and if given the opportunity the British, for example, would almost

certainly follow the lead of the people of Iceland who have voted in a referendum to leave the Common Market.

As we have persistently pointed out, the mathematics of a finance-economic system based on debt finance make it impossible to have economic and social stability. The present situation in Australia is the result of a slowly tightening credit squeeze, which the Government appears to believe will offset the big increase in wages and further inflation. Such a policy can only worsen a situation in which, according to a CBC Bank report, 40 per cent of Australians' incomes now goes in meeting debt charges. Increased interest rates are worsening the situation. The Real Estate Institute of Australia warns that unless the Federal Government eases the housing crisis, it faces the prospect of defeat at the next elections. But the Government is unable to meet the crisis under the policies it is pursuing. If the present restrictive credit policy is continued, and interest rates increase by another 1 per cent after the Victorian State elections, the housing crisis must worsen, contributing to the generally depressed economy. Australians are moving towards an extremely gloomy winter.

We are hopeful that an increasing number of people are going to be forced to start looking at alternatives. Even some nervous Government backbenchers should be able to see that they are doomed whatever the Government does under present policies, and press for alternatives.

THE THREAT OF A U.N. PROPAGANDA MACHINE: Mr. Jeremy Lee sends his first report from Canada:

"The 22 hour journey from Sydney to Vancouver was relieved to some extent by a four-page advertisement in the February 8th issue of NEWS-WEEK, inserted by the SmithKline Corporation, warning Americans of the dangers of the New International Economic Order, and the New World Information Order.

The advertisement pointed out that the United Nations has been deliberately subsidising articles into Western papers in favour of N.I.E.O. and the N.W.I.O., including papers in Japan, Germany, Austria, Pakistan, Italy, Mexico, India and France.

The United Nations cannot tolerate any criticism which might come from a free press. Thus, the "Sunday Times" (London) back on October 30th, 1977, reported:

".....at a high-powered UN conference in Tunis...a few selected Western journalists were told we were to blame for public opinions being so badly informed about changes to the modern world. And so it was our fault that Western Governments were so stubbornly reluctant to surrender their riches and privileges to the fair and just demands of these poorer countries...(Third World) leaders were convinced to the point of arrogance that their demands were so evidently just and fair that the West would not turn them down unless its public opinion was manipulated by a corrupt and lying press...The United Nations is calling on journalists to accept these arguments, and urge them on their

readers...."

On May 30th, 1981, "The New Zealand Herald" reported: "...The United Nations gave about \$492,000 to 15 newspapers to publish its views...." The United Nations Under-Secretary-General for information, Mr. Yasushi Akashi "asserted that all the United Nations did was to reimburse the newspapers for the paper used, and praised their "Moral support" of the United Nations in its campaign for a new international economic order...."

The Goebells propaganda techniques in Nazi Germany are now being re-employed through the United Nations. It seems, however, that a few people are waking up!

Here in Canada the same sad story about impossibly high interest rates, with its sequence of bankrupt farms and businesses and a direct attack on home ownership, that we hear in Australia, is featured in many headlines. It has not prevented a \$600 million load from Canada to the USSR, at 10 per cent interest, for the Siberian gas-line. Soviet bloc comrades get financial advantages not available to struggling Canadian families.

BRIEF COMMENTS: Mr. Malcolm Fraser has demonstrated that he is a cynical ruthless political operator. So it may be true, as one political commentator suggests, that Mr. Fraser would not be too upset about the defeat of the Victorian Liberal Government, hoping that a Cain Government would be so disastrous that he could go to the next Federal elections with a warning of what happens when electors vote for the Labor-Socialists. Modern party politics are a thing of the Devil. Regeneration of a sick society must start with sufficient electors adopting a more moral approach to the voting system. Most appropriate at present is Jeremy Lee's booklet: "Conscience Voting" (\$2.45 posted).

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Like a burst of sunshine through the dark clouds, occasionally a politician makes a basically commonsense comment contradicting a generally held nonsensical view. The Deputy Leader of the Australian Democrats, Senator Mason from N.S.W., said at a Lowe by-election rally that the Government was wrong to claim that the economy was tightly linked to that of the world. "We can be prosperous even if the rest of the world is going through a recession because of our massive energy resources and our solid industrial infrastructure". Prime Minister Fraser and Treasurer John Howard are busy promoting the falsehood that the American recession is a cause of the Australian recession. If the rest of the world sank beneath the sea, Australians would be forced to consider changing their financial policies to enable them to make use of their great abundance and productive capacity. Grubs do not starve to death because they cannot consume more than a small portion of the apple in which they are living!

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Labor Opposition leader Bill Hayden is "on a good thing", politically,  
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as well as financially, with his suggestion of a special tax on bank profits. But Mr. Hayden does not mention that the astronomical increase in banking profits, dwarfing those of BHP and similar big companies, is because of the banks' power to create the community's financial credit as an interest-bearing debt. The ordinary bank shareholder gets only moderate dividends, and bank employees are certainly not overpaid. Most of the profits of the banking system are not distributed to individuals, many being used merely to expand physical assets, the book value of these later being considerably reduced. If Mr. Hayden would raise the question of the ownership of the money created by the banking system, and then suggest that some of the huge profits obtained by carrying out this simple book-keeping service, should be paid to individuals, he would be contributing to some realistic discussion about banking. Perhaps someone can prod Mr. Hayden into doing this?

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The appointment of former British Liberal Party leader, Mr. Jeremy Thorpe, as Amnesty's British Director, can only further increase concern about Amnesty's integrity. Although Mr. Thorpe was acquitted two years ago of a charge of conspiracy to murder male model Norman Scott, he is a man with a most unsavoury background. It is generally forgotten that Thorpe called for the bombing of Rhodesia when the UDI was declared in 1965.

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After presenting a gloomy, but realistic picture of the deepening world depression, Melbourne "Herald" Finance Editor Mr. Barry Dunstan, in "The Herald" of February 27th., concluded by saying, "Commonsense and past experience tells us that world recovery and the share markets will recover, eventually. The difference is in the timing. The pessimists are saying 'if the recovery comes', while the optimists are saying 'when'". The Great Depression of the thirties only ended with the outbreak of The Second World War. Economies were provided with adequate finance to ensure that all surpluses could be exchanged - as war production! The present deepening crises is worse than that of the thirties, the end result more likely to be open revolution - unless the debt system is corrected.

BASIC FUND REPORT: 12 supporters contributed \$1,789.50, taking the grand total to \$38,302.50. Altogether now - one final big push.

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