



A WEEKLY COMMENTARY

ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance—

Vol. 19 No. 46

Registered by Australia Post — Publication No. VBH 0999

November 26th, 1982

Thought for the Week: "Most of the giant firms he (Lenin) attacked repeatedly and explicitly as symbols of the new imperialism are among today's leading giant multinationals and leaders in the penetration of the modern imperialism into the socialist motherland: Standard Oil, Shell Oil, General Electric, Siemens, Krupp, and some of today's leading multinational banks, such as Morgan Guaranty Trust, Deutsche Bank, Credit Lyonnais, PARIBAS, and especially Chase Manhattan and the oil banks of the Rockefellers".

- Charles Levison, in *Vodka-Cola* (1980).

DEBT REVELATIONS: Mr. Jeremy Lee filed this report while on his recent New Zealand tour:

"Prime Minister Robert Muldoon has openly conceded the world's money systems are at a point of collapse, it is apparently considered by those behind the scenes that New Zealand should be conditioned for the next step. The New Zealand Times (Oct. 24th) came out with a syndicated article written by Lord Lever of Manchester - the same Harold Lever who was a Cabinet Minister and financial adviser to both Harold Wilson and Jim Callaghan in the Fabian-dominated Labor regimes which preceded the current British Government.

Lord Lever was quite realistic about the debt crisis and the imminence of collapse: "...All the great banks of the world were drawn into this operation, and they have built a structure of debt that must surely be the largest and most remarkable financial house of cards ever created. It is still not clear how the governments, the central bankers and the great private bankers themselves could ever have believed that this structure could endure. But the problem can no longer be ignored; reality is breaking through...."

Lord Lever then went on to imply he was offering the only possible solution to a crisis caused by this amazing shortsightedness of governments and bankers. His proposals were carefully set out, and can be condensed as follows:

- (a) Central Banks in each nation, as a crisis measure, to underwrite all foreign debts owed to trading and merchant banks

- based in their countries.
- (b) All governments to establish authorities to direct terms, conditions and direction of future lending.
 - (c) A 'mandate' be given to the International Monetary Fund to co-ordinate an overall global strategy with regard to banking, lending and investment.

Immediate acceptance of these three steps is the last chance for us all, according to Lord Lever. The sheer brilliance of his plan is astounding. One can only wonder why the Fabian Society, the Club of Rome, the Bilderbergers, the Trilateral Commission, the Council of Foreign Relations, Parliamentarians For World Order, and the Commissioners who produced the Brandt Report have never thought of it before!

Muldoon himself has now come out that something along the lines of the Brandt Report must be introduced. This links him directly with New Zealand's left-winger Richard Prebble on the Council of Parliamentarians for World Order, which is committed to the Brandt Report. World Government seems very much in vogue in New Zealand just at present.

'Australia's Deputy P.M. Doug Anthony has just been in New Zealand for talks with Prime Minister Muldoon on 'Closer Economic Relations' (CER) between the two countries. New Zealand is desperately keen to get a bigger access to Australian markets for primary produce, but does not want to compromise its manufacturing sector by giving Australia greater access in return. The promised agreement has been 'temporarily postponed'.

With the biggest per capita overseas debt in the world, New Zealand must maintain and increase its rural exports to keep the bankers happy. However, the world recession is closing markets fast. Freezing works throughout the country are full-to-capacity with fat lamb. It is reported that the Wool Board is seeking additional storage for wool stocks. The Meat Board has bluntly said it is taking over all marketing, whether farmers like it or not, just as Trueau's Canagrex marketing plan is doing in Canada.

New Zealand's Dairy Industry is in reasonable condition at present, but huge world butter stocks cast a menacing shadow. Although the EEC has an official ban on butter sales to the U.S.S.R., it has circumvented the ban by mixing butter with vegetable oils, thus gaining a larger subsidy into the bargain.

EEC exports to the U.S.S.R. were 134,000 tonnes in 1979; 150,000 tonnes in 1980, and 110,000 tonnes last year.

New Zealand's exports of butter to the U.S.S.R. were 50,000 tonnes last year and 34,000 tonnes last year.

New Zealand's dairy future depends on maintaining a market quota to Britain, hotly opposed by other EEC countries. However, the French Agricultural Minister, MMe Edith Cresson, has reluctantly agreed to New Zealand's continued access to the British market, provided the EEC ban on

butter shipments to the U.S.S.R. are lifted.

All this western manoeuvring has enabled the Communists to develop a unique version of the old "guns before butter" economy; the West produces butter for the U.S.S.R., while the Communists manufacture guns to use against the West!

A DIFFERENT APPROACH TO UNEMPLOYMENT: Highton, Victoria, Actionist Mr. Neil McDonald, has offered the following comment on unemployment to a local paper:

"Unemployment is not the shadow of poverty - but the reflection of abundance. Despite amazing scientific progress, including a man on the moon, the one common unsolved problem in this super age is unemployment. Yet it is the answer to, and not the cause of an explosion of technological power.

"Nowhere is genuine scarcity. Our shops are overflowing, and letter boxes are stuffed daily with brochures advertising 'bargains' in order to clear cluttered stock.

"Brand new cars are stockpiled, and staff reduced. Everywhere, modern industry has the brakes on - with go-slows, strikes, and stop-works. Shorter hours, longer annual leave, extended sick leave and early retirement have hardly blunted the production system.

"With thousands of non-producers in administrative positions, the armed services, and with a growing army of young, restless school-leavers, the potential for additional physical output is almost limitless.

"The one vital missing link is access to the abundance. Oh yes, there's money around for those who wish to incur borrowing, and spend tomorrow's income on today's goods. But it just doesn't add up properly. Australia has a national debt...., and so too has every other country. Somewhere surely, there must be a country in credit! But no, that hasn't happened. Even in the millionaire-littered U.S.A. there's gloom amidst the boom. Rockets, and dole queues, and a national debt running into billions! Unpayable - only if book figures are not cancelled. But physically, the productive facts are not matched by the financial symbols.

"Why must Australia reel into a desperate depression because of a ripple somewhere overseas? There is abundance here beyond our modest needs. Houses are unborn even though materials are waiting for use. Our woollen mills are asleep, and shiploads of wheat and sheep are exported without us missing a meal.

"The Government, Unions, and Churches are silent as to the causes of unemployment and depression. Job creation only aggravates the situation. The age of leisure is here - just as Jesus predicted... 'I come that ye may have life, abundantly'. We reject the prosperity which awaits us, which would bring joy, as do presents to a child on Christmas morn.

"The immediate solution seems to be - opportunity for every youth to either enter the work force, or accept an adequate leisure

"ON TARGET" November 26th, 1982. Page 3 (185)

pension. Early retirement - also with adequate pension. Wake up, Australia!"

THE WAGES FREEZE: "The Federal Government's badly strained Budget deficit will increase if the proposed wages freeze goes ahead".

- Michelle Grattan, in The Age (Melbourne) November 22nd.

Once again, the politicians - echoing the economists - desperately attempt to operate the inoperable. The wages freeze will mean that Treasury revenue from future taxation will be less than anticipated. As has been clearly demonstrated in the past, wage freezes do not prevent price increases and the wages factor in prices is less now than was the case even ten years ago.

The unions are not likely to submit to wage freezes at least without corresponding price freezes: and these in turn do not hold prices down, long term. They just clamp the lid for a time on a pot of boiling water, which would eventually explode if held down long enough. Even Mr. Macpherson has recognised these realities, as well as conceding that the wages freeze will bring about a reduction in the standard of living for most. But what's the use of understanding it, if not doing anything about it?! All these factors have to be balanced by the election-desperate Mr. Fraser against the political considerations of advantage to the Liberals. That election! When can it be brought on?

Then there are the States: three Labor Premiers. With the likelihood that two more Labor Premiers are to come. We foresee the probability that Queensland, in the not distant future, will have the only non-Labor Government in Australia; and what political turbulence such a situation could release!

We can see no alternative to the above scenario. The politicians and the economists can shuffle wages and prices freezes until they are blue in the face: all they will do will be to further foment social/ industrial turmoil.

No solution to our social-industrial ills is possible which does not transgress the tenets of orthodox finance. For that reason action based on the 4-point programme set out in last week's On Target will be a required first step to our recovery.

* * * * *

In the Geelong Advertiser (Nov. 18th) article - "Price Control a Vital Weapon" - there is some economic commonsense. It mentions that "during the war, price control was very effective." BUT, at that time subsidies were paid on various consumer items. The price control would NOT have succeeded without subsidies. Quite rightly, the journalist remarks - "If our Government prevented price rises by paying subsidies on a range of consumer goods and cut indirect taxation, such as sales tax, these measures would have the effect of stabilising wages". Yes, they would.

BASIC FUND: The Fund now stands at \$15,945, due to the donations of 17 supporters amounting to \$1,197.00

"ON TARGET" is published and printed by the Australian League of Rights, 273 Little Collins Street, Melb. Subscription rate \$12 p.a. posted.