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The price of Freedom is eternal vigilance—

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Thought for the Week: "No one can serve two masters; for either he will hate the one and love the other, or he will be devoted to one and despise the other. You cannot serve God and mammon."

- Matthew 6 - 24.

WORSHIPPING BLACK MAGIC: Aided by most of the establishment media and commentators, Prime Minister Hawke and his colleagues have been able to present the first Hawke Budget as both "reasonable" and "responsible". In the lead-up to the Budget taxpayers were given a psychopolitical treatment designed to create fears that they faced a really "tough" budget. As few had looked at the fine print in the Budget, it was not surprising that large numbers of people were quoted on the Wednesday morning that they were "relieved" to find that the Budget was no where as bad as they anticipated.

Mr. Hawke, Mr. Paul Keating and their fellow "democratic socialists" have left no doubt that they worship the same type of financial black magic which bemused Mr. Malcolm Fraser and his colleagues. The "deficit" must be restrained at all costs and, of course, written up as an interest-bearing debt against the nation. Mr. Hawke is assisted by the fact that there is no real Opposition. All that Mr. Peacock has provided is shallow rhetoric. A striking example of Mr. Peacock's hypocrisy is his attempt to capitalise on the first major electoral protest following the Budget, that against means testing pensions. It was the same Mr. Peacock who, distancing himself from Mr. Fraser in his run-up to his April, 1982 leadership challenge, indicated he supported a system of means tested pensions.

Standards of political morality have been falling in Australia for years. It is not merely that promises are broken, but the cynical, brazen manner in which this is done. Confronted with a letter he had written to his electors two years ago, stating that Labor favoured

reduced prices on beer, Mr. Hawke brushed it aside, stating that "This Budget (which further increased the price of beer) is not inconsistent with the principles expressed therein." This can only be described as classic Orwellian double-speak from a man who told his electors two years ago that, as beer and cigarettes "take a much larger proportion of the incomes of low and middle income earners, so to increase them further would be quite unfair." But low and middle income earners are going to progressively feel the impact of the wide range of indirect taxes imposed by the Hawke budget.

Falling political standards help further to poison the life of the nation. Those standards can be expected to fall even lower as the rot stemming from anti-Christian financial policy, one based upon the worship of the abstraction known as money, continues to spread.

FEDERAL BUDGET: This comment from Mr. Chas. Pinwill, Queensland State Director:

"This Federal Budget has confirmed what is now probably a permanent change in Australian budgets. They have now become political documents, rather than-primarily-economic ones. This year's Budget began in May, and will not conclude until details and legislative changes are revealed in future months.

"It can therefore be described as a 'soft' budget, and a political 'plus' for the Hawke regime; but the tough measures - like the withholding tax - came before, and the means test on pensioners in terms of lost dollars and benefits will not be clear for months.

"A nasty introduction and conclusion, with the Budget 'sandwich' presented with a 'soft centre': that is the Budget 'dialectic' for 1983-84.

UNEMPLOYMENT:

"In spite of Mr. Keating's best efforts to point to an increase in the numbers of employed, the unemployed are to increase. By January, unemployment will exceed 11% of the work force. With Australia's growing work force, the numbers employed will increase, but the percentage thereof will decline.

"Mr. Bob Hawke's promise of 500,000 extra jobs will be in part achieved in the midst of growing unemployment. Those who are unsophisticated in political pedantry may be fooled for a time, but the base reality remains untouched. Increasing unemployment, now permanent in modern industrial societies, defies all governments' abilities to solve. Only an acceptance of this reality will allow corrective action. Labour is a decreasing factor in modern computerised production.

"Total Budget expenditures are \$56.7 Billion... 250,000 early retirements of people over 55 years of age, for those who wanted it, at

\$200 weekly, conditional upon replacement by an unemployed person, would cost a net figure of \$1.5 Billion...less than 3% of present expenditure.

"If funded from a small part of the estimated 11% (created) increase in the Australian money supply a real contribution could have been made. However, "Labor" Governments (AND Liberal!) are philosophically opposed to less labour for the responsible over 55s.

INFLATION:

"The Treasurer estimates inflation at 7.5% for 1983-84. If the wage freeze were fully maintained this is speculative; however, if it is abandoned then it will be impossible. The Budget itself, with fuel and other excise increases, will help to ensure higher inflation.

ANOTHER BUDGET OF BLOWOUTS? :

The deficit of \$8.36 billion can only hold if inflation is held at 7.5%. Messrs. Hawke and Keating also need the co-operation of a Senate, beyond their full control, for the passage of their resurrected 'Bottom of the Harbour', and other legislation.

"This requires a continuing wage freeze. The Gross National Product must turn around from a minus 2% to a plus 3%. Even with the highest deficit in our history - holding the line at 8.36 billion looks problematical. Either way, the largest increase in the national debt in our history is assured.

THE BOTTOM LINE:

"As always, the bottom line, i.e. total Government receipts, hardly rates a mention. The total tax 'take' is up by almost \$4 billion to \$48.34 billion; or up by over \$1000 per family from last year.

POLITICAL IMPLICATIONS:

"It is significant of the level of acceptance by the Australian public of continuing economic disaster that Messrs. Hawke and Keating have managed to turn our continuing economic crisis into favourable press comment and hence political advantage.

"This Budget will extend the Government's 'honeymoon' beyond the Queensland elections to be full-stopped by the unemployment surge in January, 1984. Next year's Budget will be 'light years' away from this one (1983) - with the public memory of a Fraser-Howard Budget equally removed.

"Comparisons will be dimmed, and blame - to be laid at the door of the Liberals - will be that much more difficult to do.

"To those who truly understand the impossibility of economic recovery while present orthodox financial policies obtain, and who also oppose the Hawke Socialist regime, the message is simple ... 'Cheer up, the problems can only get worse'".

MR. JEREMY LEE REPORTS:

Debtors' Club: An international loan of \$400 million - probably the first of a series - to the Australian Government has been finalised. The loan, organised by Morgan Guarantee, included Salomon Brothers and L.F. Rothschild amongst those who made up the package. The naive may ask where these bankers get the money to lend to Australia. The 1983 Review of Bank performance, published by Salomon Bros of New York, is filled with "wailing and gnashing of teeth" at the tough time the banks are having. An article in the Financial Review (August 22, 1983) says: "Return on assets and return on equity of the (35) banks surveyed deteriorated for the third consecutive year. Operating profits as a percentage of assets fell from 0.6 to 0.57 per cent, the lowest since 1977, while return on equity declined from 14.5 to 13.2 per cent ... Loans loss provisioning rose 69.2 per cent on top of a 15 per cent rise in 1981. Transfers to loss reserves totalled \$4,031 mill. compared with \$2,382 million previously..."

Before the World Council of Churches, Freedom from Hunger or Aust-care launch a "mission of mercy" for the poor, benighted bankers, we should hasten to say we believe they will survive. Apart from the Morgan/Salomon loan to Australia, The Western Farmer (W.A. 21/7/83) reported: "Chase Manhattan Bank and Citibank of New York have expressed interest in refinancing Western Australia's farm debt in parcels of \$50 million. Influential WA financier Sir James McCusker said last week the giant United States banking houses had indicated they would provide for rural debt consolidation on an insured mortgage basis ... but an over-riding condition on the money being made available would be a loans insurance guarantee ..."

Where would the guarantee come from? Why, from the Hawke Govt. of course!

Meanwhile, the Financial Review (22/8/83) reported: "Interesting to note that International Pacific Corp's name change to Rothschild Australia Ltd. hasn't been mirrored by the change in the name of the former International Pacific Cash Management Fund. The Merchant Bank changed its name after N.M. Rothschild and Sons took the major stake in IPC as part of a shuffle of existing foreign equity and the exit of the CBA as a shareholder. However, the trust has taken the name Five Arrows ... The Five Arrows were the five sons of the founder of the dynasty, Mayer Amschel Rothschild, a Frankfurt banker in the 18th century. Mayer's son, Nathan Mayer, went to London to form N. M. Rothschild, and others went on to Austria, Paris and other parts ..."

It "warms the cockles of your heart" to know that these poor, impoverished philanthropist bankers are scraping up their last few cents to help Australia and Mr. Hawke - don't it?