



ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week: "If man's nature and his relation to God are as Jesus taught them to be - then His prophecy of disaster is just as relevant now as it was then, for, after a period of at least partial Christianity, the world has reverted, only on a far larger scale, to the pre-Christian era....."

"In its essence, the requirements of life are very simple - food, clothing and shelter. Luxuries add very little though labour saving should. South Sea Islanders in their native condition lead joyous lives. Now in these days, in industrialised communities, every man, woman and child is entitled to the provision of basic requirements. The means to their easy production and distribution were, after all, created by our fore-fathers; they are our inheritance. Every family should have a secure home:" - Dr. Bryan Monahan.

THE PHONY HOUSING DEBATE: Last week the media headlines informed Australians that there was a major rift on housing finance between Prime Minister Hawke and Treasurer Paul Keating. The rift concerns the subject of housing interest rates. There is no controversy about the realistic question of whether Australians have enough resources in the form of building materials, or skilled men, to ensure that every Australian family is adequately housed. No, the argument concerns whether the Keating line, backed by the banks and the Treasury "experts", of deregulating housing interest rates should prevail over Prime Minister Hawke's attitude that any rise in home interest rates would be politically disastrous.

Interpreting the mumbo-jumbo which passes for economic comment, Mr. Keating, the Federal Treasury and the banks argue that unless interest rates for housing are permitted to rise above the current 13.5%, the banking system cannot attract sufficient deposits for re-lending. Here we have the absurd nonsense, exposed time and time again, about the banks loaning their deposits. Anyone who believes this is financially illiterate. The primary purpose of the banking system is to create credit money. As quoted in The Money Trick (\$5 posted) the Governor of the Central Bank of Canada, Mr. Graham Towers, put the matter clearly when giving evidence in 1939 before

the Canadian Government's Committee on Banking and Commerce. Governor Towers said, "Broadly speaking, all new money comes out of a Bank in the form of loans Each and every time a bank makes a loan (our purchases securities), new bank credit - new deposits - brand new money."

The rate of credit creation, and the interest rate, is dictated by the Reserve Bank. High interest rates are designed, among other reasons, to attract what is called foreign capital, another myth being that Australia must obtain foreign loans in order to operate the economy. The Federal Government could, if it so wished, and had the will, direct that the interest rate be reduced to under 10 per cent. for housing, as it is in America. But this policy would bring Australia into direct conflict with the policies of International Finance. It is a form of black magic to accept the view that the building of adequate homes for the Australian people should be governed in any way by financial policies dictated by external factors.

What is physically possible can be made financially possible, and a policy of adequate finance at reasonable interest rates, for home building, would be one constructive step towards solving Australia's internal problems. The debate about home interest rates is completely phony.

THE RURAL CRISIS AND BASIC ECONOMIC TRUTHS; A correspondent writes to suggest that it is difficult to see how the Australian rural crisis can be resolved in the face of a world glut of food production. We take the point and stress that this is a time to go back to basic economic principles. The first of these is that the true purpose of production is consumption. The second is that a genuine national surplus of production should be used to pay for imports of required production from other nations; in other words international trade should be an exchange of genuine surpluses between nations to their mutual advantage.

Talk about "fighting" for a "favourable balance of trade" means attempting to export more than is imported. A nation which exports more than it imports suffers a physical loss. It is elementary that if some nations have a "favourable balance of trade", then other nations must have an "unfavourable balance of trade". The Communist nations are not unduly worried about "unfavourable balances", recalling the famous prediction of Marxist strategist Lenin, who said that the "decadent capitalist" nations, unable to solve their own internal problems, would seek to solve them by competing to export to the Soviet. He went further and said that credits would be made available to enable the Soviet to obtain Western exports. Lenin said that the "capitalists" would produce the rope for their own hanging, as the great Solzhenitsyn has reminded Western nations.

Prime Minister Hawke is being urged to take action against two major threats to Australian primary industries: Subsidised food exports from the European Common Market countries and now, subsidised food exports by the U.S.A., which is resorting to subsidised exports in an attempt to compete with E.E.C. exports. In a desperate attempt to move its mountains of primary production, the EEC has been providing the Soviet with food at give-away prices. The Soviet is pleased. The EEC was established allegedly to act as a barrier to Communism! As demonstrated in a number of books such as National Suicide, by Dr. Antony Sutton (\$7.00 posted) and The Kiss of Betrayal in East-West Trade, by John Rees (\$1.50 posted), the free world is being used to finance massive economic blood transfusions to the Communist world. As pointed out by Solzhenitsyn in his great New York address, The Legacy of Terror, credits are made available to the Communists at low rates of interest, these not available in the West, for example, to young people wanting to buy their own homes.

Australian primary producers have dramatically increased production, primarily in an endeavour to keep pace with rising costs. These rising costs are the result of a system of debt-finance, coupled with high interest charges and high taxation. Primary producers are well aware that under the whip of increasing inflation, they find it impossible to practise sound husbandry. Rotational cropping for cereals is becoming a thing of the past. Quality production is not adequately rewarding. The result is a type of soil mining instead of good husbandry. With a change of financial policy, resulting in a reduction in all financial costs, good husbandry could be practised and the artificial drive to export reduced. A lower cost structure would enable genuine surpluses to be offered on much more favourable terms than at present. National survival requires a financial policy which enables Australians to adequately feed, clothe, house themselves and to provide themselves with all the amenities of civilised living.

Can anyone list anything Australians would require for survival if the rest of the world sank beneath the sea tomorrow? The answer to that question should be obvious to all those who still possess any critical faculties. The present financial policy, and the philosophy behind it, results in overproduction in all spheres, with enormous waste and economic sabotage.

BRIEF COMMENTS: In an attempt to deal with mounting public Opposition to the Bill of Rights, and the suggestion that there should at least be a referendum, Attorney-General Bowen last week tried a diversionary tactic by calling for a referendum on Queensland's electoral system. Mr. Bowen criticised what he was pleased to call "scare tactics" concerning the Bill of Rights. But he did make the important point that it was the Fraser Government which

established the Human Rights Commission. He then said, "I am astounded now to find that despite the fact that the commission has been in existence for some years, all of a sudden because we are bringing into it, by way of legislation, some teeth, this sudden outburst comes from the honourable member" (Vide The Australian, March 20th). Exactly, Mr. Bowen, and it is those "teeth" which every freedom loving Australian must be concerned about.

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Voting at a national referendum last week, the people of Switzerland overwhelmingly rejected a government proposal that they join the United Nations. Not one of the Cantons (States) supported the proposal. With a constitution guaranteeing effective decentralisation of power, Switzerland remains one of the most stable countries in the world. If Australians had the same constitutional rights as the Swiss, they could force a referendum on the Bill of Rights.

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The Soviet strategists will be heartened by the signs indicating that the new government of the Philipines is moving towards an anti-nuclear arms policy, one which appears to embrace the stand of the New Zealand Lange government.

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Victorian Premier John Cain was gloating at the week-end about the disarray in the Liberal Party, stating, "While we are debating how to continue down the path of the greatest social and economic reforms in this State's history, they are up in Bendigo tearing at each other's throats." The "social and economic" reforms mentioned by Premier Cain are the ruthless programmes of the Fabian Marxists, one of the most dangerous being the attempted forced amalgamation of Victorian Municipalities.

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Once again comes the chilling news that postal and telecom charges are to rise once more. What about those economics of size we hear so much about?

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Under present debt-finance, Treasurer Paul Keating is preparing to impose a savage 1986 Budget which will increase taxation and throw away all Mr. Keating's past promises. If it were not for the inept Opposition, the Hawke Government would be sliding towards collapse. There could be an early election.

BASIC FUND REACHED: We can report that the Basic Fund target of \$50,000 has been passed. Thanks to all who co-operated. A fuller report next week. Extra funds are required to help finance a special camera for the League's expanding video tape programme.

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