



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance—

Registered by Australia Post — Publication No. VBH 0999

Vol. 23 No. 21

June 6th, 1986

Thought for the Week: "Knowledge of the existence of this global system of mind control is the first requirement for an accurate interpretation of contemporary history. 'No go' areas have been established in the realm of inquiry and debate, with terrifying penalties for trespass. One of the most important, if not the most important of these 'no go' areas is that which has to do with the organisational structure, operations and ambitions of modern Zionism, whose nexus with the highest concentrations of financial power is obvious."

- Ivor Benson, in The Zionist Factor.

TAXING AUSTRALIANS INTO SOCIAL BREAKDOWN: The introduction of the fringe benefits tax can only be seen as a diabolical manoeuvre to introduce the necessary social friction and suspicion between Australians to justify increasing intervention by authoritarian government and its proliferating agencies.

The psychology behind this ruthless tax is that any effort by individuals to save costs is an "unfair" advantage over those who haven't taken the same steps, which should consequently be taxed. Theoretically, the person who grows his own vegetables, who produces his own eggs or milk, whose family offers any voluntary effort in his productive enterprise, who has saved enough to buy his own home, has carved out an advantage for himself which, in the interests of 'equity', deserves the taxman's knife.

The Bulletin (June 1, 1986) gave these examples:

".... If a farmworker cuts down a dead tree and feeds it into his fire, the farmer become liable to fringe benefits taxation. It is the type of legislation which freezes the blood of the business community, not merely because of its effects, but because it shows the readiness of government to bring down bills which change the economic climate, without consultation and without considering their effect. The fringe benefits tax is a deal done at midnight by Prime Minister Bob Hawke and Simon Crean and Bill Kelty of the Australian Council of Trade Unions, in a Canberra motel during the July tax summit ... Along with the superannuation deal which transfers 1.5%

of the gross domestic product to the trade unions and which threatens a recession, it is one of the factors which impelled employers to make their successful call for the "banana summit"

A Diana Austin, from Adelong, NSW, writing in The Australian just after the FBT announcement, summed up the worries of thousands of Australians already persecuted by the A.L.P. Government;

" ... From what I can gather if we employ our children on our farm during their school holidays, we are employers who will be liable for payment of FBT on their board and lodging. We can give them morning and afternoon tea 'free', but as they are both over 12 the taxable value of their meals will be \$2 (if under 12 years it is only \$1 - page 35 of the booklet) ..."

There are now signs of a tax revolt from Australia's persecuted farmers and industrialists. But the Government is counting on inducing enough covetousness and jealousy among Australians to blunt any united opposition.

If Australians allow this Fabian-designed tax to take hold in the country, it has the potential to produce the cringing distrust on which bureaucratic socialism feeds. The ultimate is the soviet state, where citizens are prepared to report each other for the favours of bureaucratic patronage.

Both industry and farmers look like fighting, A full-page advertisement in the Weekly Times by Ian McLachlan of the National Farmers' Federation is hard-hitting. But such leadership will founder unless supported by the hundreds of letters from ordinary Australians which have had such an effect in the campaign against the Bill of Rights.

P.M. HAWKE TAKES FINANCIAL TILLER: Paul Keating, erstwhile "Treasurer-of-the-year", has apparently dropped off the end of the "J-curve", and Prime Minister Hawke, fresh from his China syndrome, has returned full of vigour and authority to steer Australia through the disastrous back-wash of socialist sewage.

The Age (May 31, 1986) quoted the Prime Minister as saying "We'll need guts to get out of this." Whatever it is Australia needs to emerge from the government-induced crisis, we can be sure Mr. Keating will tax it before it can be used.

THE BIG BANANA: Keating's off-the-cuff statement that Australia is in danger of becoming a banana republic is not likely to surprise many Australians. The League of Rights is one of a number of commentators which have been pointing out the facts for a considerable time. The only surprise is how long it has taken the "Treasurer of the Year" to wake up to the obvious.

The Herald (Melb. May 27, 1986) carried the remarks of the Western Mining Corporation's executive director, Hugh Morgan;

"The Banana Republic of Australia is almost here ... Mr. Morgan said today that Australia faced a crash similar to that of the 1890s

"ON TARGET" is printed and published by The Australian League of Rights, 145 Russell Street, Melbourne. Subscription rate \$20 p.a. posted.

Mr. Morgan said that over the same period (1950 to 1986) government spending had jumped from about 15 percent of GDP to 44 percent. He said:

- * At least every second person regularly received a cheque from the government.
- * One third of the workforce worked in the public sector.
- * Government regulations cost private enterprise about \$80 billion a year ... (The Fringe Benefits Tax can be expected to increase that figure considerably).

There is, however, little difference between the solutions being offered by such diverse figures as Hugh Morgan on the Right, and Gerry Hand on the Left. There is a unified demand for "greater efficiency", "more experts", and further "belt-tightening".

The key lies in the news (The Australian, May 28, 1986) that Australia's money supply increased by 15% over the last twelve months - all in the form of cost-increases. If the same sum had been used for tax-cuts, Australia would be in a vastly different position.

MONEY CREATION BY "THE FED": The Newsweek section of The Bulletin (Feb. 25, 1986) gave some surprising facts about the Federal Reserve in the U.S. "The Fed" as it is often called for short, is the Central Bank of the United States. Unlike Australia's Reserve Bank, however, it is privately owned. The article said:

"... The Federal Reserve is the economic equivalent of the Kremlin. No institution is more powerful - or more poorly understood. How it exercises its power is a mystery to most laymen. And why it does what it does when it does is often a mystery to its closest observers. To Paul Volcker and the chairmen who have preceded him, that is as it should be ... If the Fed wants to add funds, it simply buys government bonds in the open market. With the stroke of a few computer keys, the Fed creates money out of thin air, adding funds - known as reserves - to the account of the bondseller's bank. The bank is able to lend out those reserves several times over, creating even more money ..."

The Newsweek section of The Bulletin (March 18, 1986) illustrated one of the side effects:

"... Economists have long puzzled over the tremendous quantity of cash unaccounted for in official U.S. figures. But information contained in a new Federal Reserve study suggests that the problem may be much greater than anyone imagined. The study, which was primarily concerned with how Americans pay their bills, found that in 1984, on any given day, the average adult American had \$104 in cash in his pocket or tucked into a drawer at home. That accounted for \$18 billion in currency. The study estimates that a similar amount sat in the cash tills and safes of businesses, government and nonprofit institutions. But there was \$153.9 billion in currency and coin outstanding on an average day during the survey period, so \$118 billion of the currency in circulation was missing. The study's authors and other specialists in the field think that

"ON TARGET" June 6th, 1986 Page 3 (84)

anywhere from 40 per cent to 60 per cent of the missing money is overseas ... "

THE CANOWINDRA DEBATE AND RALLY: (David Thompson reports):

"Another economist, and financial expert on the Eastern side of Australia has joined Dr. Henry Schapper's assault on rural Australia. Dr. David Clarke, who writes for the Financial Review, and lectures in economics, claims that the rural 'crisis' has been vastly exaggerated, and that a moratorium on rural debt, and other 'funny-money' proposals could not be taken seriously.

"At a debate arranged to challenge his views, organised by the Rural Reform Committee in Canowindra on May 12th, and attended by around 900 people, Dr. Clarke put his case. He claimed that the rural lobby, like King Canute, was subject to financial forces which could not be tampered with. His answer to the rural position? An increase in rural productivity involving less, but more efficient producers. He claimed that it is a fact of life that capital investment in rural property could not be financially justified, and that farmers should consider selling their properties, and leasing them back to avoid the burdens associated with private ownership.

"Dr. Clarke's acknowledging that a small number of producers were in trouble, refused to concede that a widespread rural crisis existed. He said that producers were continually leaving the industry, but could provide no optimum number of primary producers for Australia. 'I'm sorry, I know nothing about farming ... I have never run a farm property', said Dr. Clarke.

"Both Dr. Schapper and Dr. Clarke belong to the ranks of hide-bound economic experts, for whom reality has no meaning unless it fits their theories and figures. They do not belong to the real world, but live in the rarified atmosphere of abstract thought of the ivory tower; but nevertheless insist that the abstract is most important, and must prevail over the real world.

"The only hope for agriculture in Australia is for rural people, themselves, to challenge the dreamers and the 'experts' with a carefully thought through alternative to the policies of debt-finance, and a constructive strategy to impose such alternatives upon those who purport to represent us.

"Following the Canowindra debate, Prime Minister Hawke visited Canowindra last week-end and, if media reports are correct (which we don't doubt) was given a standing ovation. It was a classic example of the master politician 'conning' farmers who are led by 'militants' who, themselves, are either completely ignorant of financial realities, or who refuse to face the basic causes of the rural disaster. We have constantly stressed that all the marches and demonstration were going to lead nowhere unless backed by constructive political action designed to advance at least a limited objective financial policy. Fortunately, there are rural leaders emerging who have grasped what is essential. Some of the women are indicating a much more realistic approach than their men-folk."