



# ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

*The price of Freedom is eternal vigilance—*

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Thought for the Week: "To anyone who approaches orthodox economics with an open mind trained in scientific methods, the experience will provide a sombre and salutary lesson on the limitations of human reason. As supporters of the debt-mongers, the professional economists form an invincible phalanx of defence, to which in recent years has been added a smokescreen of second-hand psychology. It is true that there are financial and economic writers who are breaking away from the orthodox presentation, but such people are not likely to arrive meantime at any position of eminence, since the Financial Filter will reject them .....

"The long persistence of the present financial system, the futility of the many exposures made of it and the impotence of the attack, have their origin and cause in the acceptance of the financial laity of completely erroneous conceptions about it, corroborated and buttressed by a formidable mass of equally false ideas formulated by the financial priesthood."

- Thomas Robertson in Human Ecology

"A CRASH OR A DISASTER"? The certified financial "experts" are all offering advice concerning what the Hawke government should do about a deepening crisis which can no longer be denied. The "experts" disagree concerning what should be done, except on one basic point: Australians have "been living beyond their means", and there must be a policy of "restraint". Which means that present living standards must be reduced. It is true that one group of "experts", those associated with the Melbourne Institute of Applied Economic and Social Research, last week issued an optimistic report, based on some weird "econometric model" known as ORANI, which offered a most unreal picture of the Australian economy booming along during the second half of the 1980's. But it is as certain as the sunrise that if the Hawke Government adheres to financial orthodoxy, greater economic and social disasters are ahead.

Financial writer for the Age, Melbourne, Terry McCrann, writes that the message from the foreign exchange markets last week, when the value of the Australian dollar fell again, was that Prime

"ON TARGET"

June 13th, 1986

Page 1 (86)

Minister Hawke "can spend the remaining months of his administration presiding over a full-blown disaster or merely an old-fashioned economic crisis." Mr. McCrann believes that Mr. Hawke must accept the "tough options" line, even though this would lose him the next elections. But this "might just save the country from the abyss."

The financial pages of the first editions of The Herald, Melbourne, on June 6th, carried a story under the striking headline, 'ECONOMY 'DEPENDS' ON NEW YORK BANKERS. As the story was deleted from subsequent editions of The Herald, it is reasonable to assume that someone felt the story was a little too revealing. The story quotes the leading forecast group Syntec as saying that the decisions of the Wall Street investment banks like Solomon Brothers hold the key to the future of the Hawke government. Syntec argues that if Treasurer Keating and Prime Minister Hawke can impose a "hard edged economic rationalism" the Wall Street investment bankers will continue to support the Hawke government. Well might the question be asked, "Who is governing Australia?" Old-time Labor leaders like Jack Lang and others, who were economic nationalists, must be turning in their graves.

C.H. Douglas said that such was the influence of the Black Magic known as financial orthodoxy, that only a cold shower of demesmerisation would bring people to face reality. But he warned that large numbers might not survive the shock. The reality concerning Australia's economy is that even under the restraints of debt finance, high interest rates and heavy taxation, there is no shortage of essential production. Where there is a need for increased production, such as house building, there are no physical problems. Enormous quantities of mud with which to make bricks, timber, concrete, glass and galvanised iron are available. Why should use of these materials be governed by the views of some Wall Street investment banker? Acceptance of this type of Black Magic is a manifestation of madness.

As we have predicted consistently, what is happening in Australia, and what is going to happen, was inevitable under a policy of escalating debt finance. We are realists, not wishful thinkers, and stress once again that the momentum of events is now so great that nothing is going to prevent disasters dwarfing anything we have experienced in the past. Replacing Mr. Hawke with Mr. Howard would not change anything, except for the worse. Neither as Treasurer in the disastrous Fraser government, nor as leader of the Federal Opposition, has John Howard showed himself to be other than a blind devotee of financial Black Magic.

Full-page advertisements in the newspapers, urging a tax-revolt, particularly against the outrageous Fringe Benefits Tax, are encouraging evidence that there is some fight left in sections of the business community. But in all these protests, including calls for reductions in government spending, there is no reference to the basic problem of debt finance, to the heavy taxation required merely to pay the interest bill on the expanding National Debt.

With the defeat of the horrendous Bill of Rights legislation in sight, it is an appropriate time to stress that this defeat did not require the creation of a new political party. When and if the Bill of Rights is defeated, it will have been because of a non-party grass-roots movement. This is the only type of movement which is going to bring Australia through the growing storm sweeping the nation. The League of Rights will continue to support and promote any activities which make a realistic contribution to a grass-roots movement which challenges centralisation of power over the individual. And it will be increasing its own special educational services.

BRIEF COMMENTS: Even Neville Wran's critics have never denied "Nifty's" astuteness. The real explanation for Wran's shock retirement is because of the coming storms ahead.  
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Soviet strategists must be delighted with the intensification of the international revolutionary movement against South Africa. Fabian Socialist Bob Hawke's new threat against South Africa, coincides with what clearly is a campaign to blackmail the Queen with a suggestion by Commonwealth leaders that Britain might even be expelled from the Commonwealth unless the Thatcher government joins in the proposed economic sanctions against South Africa, while inside South Africa African leaders like Chief Buthe strongly oppose sanctions.  
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The statement by a Queensland Salvation Army divisional leader, Major-General Harris, that the Queensland government is abusing power, raises again the question of the correct role of Christian leaders in relationship to political questions. It has been right and proper that sections of the Christian Church, even if rather belatedly, should criticise the proposed Bill of Rights, which threatens the very foundations of Christian based common law. But what about oppressive taxation and Shylock-like interest rates? Instead of joining with the critics of the Joh Bjelke-Petersen government and Queensland's "unjust" electoral laws, Christian leaders would be acting more like shepherds if they attacked the unjust and immoral financial policies being imposed by the modern Caesars.  
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Mexican Finance Minister Herzog said in the U.S.A. last week-end that Mexico might be forced to suspend payments on the nation's massive external debt. The Mexican government has been resisting a proposal that it reach an "accord" with the International Monetary Fund, based upon a severe austerity plan for Mexico. Several other Latin American governments are also reported to be considering a

"moratorium" on payments on external debts. As Australia is finding, it is becoming increasingly difficult for nations to service their external debts during a time of falling export prices, these the result of production gluts. IMP austerity plans in Latin America can only result in a fanning of revolutionary forces. Prime Minister Hawke hopes he can impose an austerity programme in Australia without a political revolt.

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The question of a possible early Federal election, in spite of Prime Minister Hawke's post-1984 election promise to run a full term of three years, is being increasingly asked. Present indications are that an election before the end of the year is a strong possibility. The polls continue to favour the Hawke government, which is a striking reflection on the pathetic performance of the Opposition, Mr. Keating's "tax-cuts" will by the end of the year create an illusion, temporarily, that middle-income taxpayers are better off. Mr. Hawke knows that the general situation is going to worsen next year. But in a general election following a double dissolution, a strong and cohesive grass-roots movement with candidates of integrity, could help force the Democrats out of the Senate replacing them with at least a few Senators prepared to take the steps necessary to move Australia off the present disaster course. No Senate candidate should be supported who will not give a firm commitment that he or she will not hesitate to vote against any financial legislation which further penalises the Australian people.

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Premier Cain of Victoria, along with Prime Minister Hawke, have been stressing the importance of Australians buying Australian production, Premier Cain says that all Australians are responsible for the trade deficit because they buy imported production. In an Alice-in-Wonderland statement, Premier Cain says, "We've got to reduce imports and we've got to keep working on export growth," which is what all other countries are also attempting to do - all chasing the false God known as the "favourable balance of trade". This means trade war and growing international friction.

"ON TARGET" June 13th, 1986 Page 4 (89)

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