



# ON TARGET

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*The price of Freedom is eternal vigilance —*

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**THOUGHT FOR THE WEEK:** "Christ had a tolerance for sinners; the Archbishop of Canterbury has a tolerance for sin. To my mind, that defines him as a modern liberal rather than a Christian. The distinction is important as it bolsters the sense that many of the problems Britain now faces are the fault of the moral and intellectual laziness of our religious, political and intellectual elite."

- Barbara Amiel writing from London, U.K., as reported in "The Calgary Sun", January 16th

**THE MOMENTUM OF DESTRUCTION:** In a desperate attempt to save himself from political disaster later this year, President George Bush is attempting to do what Prime Minister Paul Keating is proposing to attempt in Australia: reverse the effects of the worst depression since the 'thirties by increased spending, primarily by governments or by government agencies. The American interest rate is now the lowest since the end of the Second World War. But in spite of this one headline reads, RED INK STILL GUSHING OUT OF DETROIT. The Ford Motor Company has announced a loss of \$3 billion (Australian) for 1991, the worst in history. This follows the announcement that Chrysler Motor Corp. lost \$US795 million. And when General Motors reports on 1991 shortly, it is anticipated that the total loss will be \$US6 billion, making it the worst year on record for the American car industry. And the "Big Three" continue to shed labour in attempts to meet a worsening situation.

The public opinion polls suggest that the continuing depression conditions in the United Kingdom now make it doubtful if the Major Tory Government can be re-elected. A Labor victory would result in a further surrender to the programme for creating a Federation of United States of Europe. The economies of all Western European nations continue to be depressed, while hopes that the Japanese might start to improve their economy, have been dashed by the news from Japan, where a series of major political scandals are not helping. The ruling

Japanese Government is clearly losing electoral support. Every nation in the world is gripped by crisis conditions, these primarily because all nations are following basically the same type of finance-economic policies, with all stressing the alleged virtue of achieving a "favourable balance of trade" in order to make domestic economies work.

But the more highly centralised do nations and their economies become, the more difficult does it become for them to change direction at short notice. It is probably true that Paul Keating was being truthful when he said that "the depression we had to have" inflicted far more damage than was anticipated. The policies he and his "advisers" set in motion are still creating havoc and will continue to do so for some time to come. The damage in all developed nations has been so great that anyone who suggests that there is going to be any quick turnaround, merely because the pressure on the financial brake is to be eased slightly completely misunderstands the realities of the situation.

The "internationalising" of the Australian economy has made it more vulnerable to external factors over which it has no control. There are no signs of increased export earnings, which means that Australians must solve their own problems by action inside Australia. With a series of "leaked" statements, Prime Minister Keating has made it clear that his grand economic strategy is to increase the Federal deficit, probably by up to \$6 billion over the next 16 months, primarily for capital works in the transport field. How the Government plans to finance its programme is not clear at present. It is interesting that the Japanese Government plans to issue \$50 billion bonds to attempt to pump prime its depressed economy through a massive capital works programme.

But Mr. Keating is going to find that what he proposes is not going to halt the momentum of destruction. Given time, it will probably ease slightly the unemployment problem. Under orthodox financing, it can only add to the total indebtedness of the country. The psychological impact of the Keating policy statement may lift his electoral ratings, but not sufficient for Keating to have a realistic chance of winning the next Federal elections. What is needed to start regenerating the Australian economy, is to increase purchasing power immediately without increasing financial costs. Real help for the rural community could be provided by writing off a large amount of debt, with provision for long-term low interest credit. Low interest finance should be made available for a major housing programme. The benefits of a major housing programme would be felt immediately. Dismantling of protection for Australian industries should cease and the flood of foreign primary imports into Australia halted.

Australia's transport system, particularly its rail system, badly needs upgrading and when completed should be listed as a national asset, not further debt, in the nation's records. But an improved transport system is not going to solve Australia's basic problems. And the building of it under orthodox finance is neither going to halt the present momentum of destruction, nor result in the re-election of Paul Keating. But it might well narrow the political gap to the point where there is some type of a balance of power, with one or two Independents being elected.

**BRIEF COMMENTS:** President George Bush originally attempted to brush aside the opposition of Patrick Buchanan, the brilliant American columnist who opposed the Gulf War, has been extremely critical of Zionist Israel, and wants the U.S.A. to substantially cut all foreign aid and to adopt an America First policy. But when the surveys revealed that the President's rating had dropped to 43 percent while Buchanan has 29 percent, Bush decided upon fear tactics. And rushed in his wife to campaign for him. If Bush polls badly in the New Hampshire primary Republic vote, and Buchanan registers a creditable vote, this could change the whole course of the American Presidential campaign. Is Foreign Minister Evans aware of the realities of the American situation?

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The major oil producing countries are in conflict concerning how much oil production should be cut in an endeavour to prevent any further price reductions. With the Islamic Republics of the former Soviet Union now moving closer towards other Islamic nations, there is considerable speculation concerning their influence on international oil politics. The former Soviet Islamic Republics were the producers of Soviet oil production, the biggest in the world.

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One of the tactics of the Republicans is to continue to suggest in a matter-of-fact manner that "it is, of course, inevitable that Australia will become a Republic". A typical example of this approach is provided by Melbourne Sunday Age reviewer, Julia Wilson, reviewing John Parker's biography of the Queen: "Australians are now moving quietly and steadily out of an old relationship with the monarchy, not in anger or dispute, but knowing that one day we will want to start afresh, on our own."

Primary Industry Minister Crean has complained that the bankers were getting tougher on farmers and had forced hundreds off their properties. The Crean statement suggests that the Federal Government is feeling the pressure from rural action groups across Australia. The banks are only able to do what they are doing because since de-regulation

they claim to be free of any government direction. A top priority for national salvation is the re-regulation of the banking system, making it responsible to the elected representatives of the Australian people. The Federal Government could, for example, direct that adequate credit be made available for the planting of this year's wheat crop.

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National Farmers' Federation representatives and others continue to display an almost childlike simplicity by their continued claim that they can influence American agricultural policies by meeting with an American President, or talking to American officials. Immediately after President George Bush's visit to Australia, when he said he was "grieved" to hear about the plight of Australian farmers, his administration subsidised more wheat exports. Now the U.S.A. has brought back export subsidies for American dairy products. Australian dairy producers are expressing concern. They may as well save their efforts. They are not voting in this year's American elections. But American dairy farmers are!

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The Australian Guarantee Corporation Ltd. (A.G.C.), a member of the Westpac Group, is the largest (non-bank) finance company in Australia. It has issued most interesting information to its investors, viz., the ratios of company liabilities to shareholders' funds among leading financial institutions (published by Australian Ratings Pty. Ltd. in 1984). They are: Trading Banks .. 18.3 times shareholders' funds; Savings Banks .. 32.6 times shareholders' funds; Merchant banks .. 18.0 times shareholders' funds; Building societies .. 32.8 times shareholders' funds ... we would be very careful, with the banks, not to confuse "shareholders' funds" with "deposits".

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Mr. Dennis Stevenson has comfortably held his seat in the recent A.C.T. elections for its Legislative Assembly in spite of the high-pitched campaign against him, using the "League of Rights" weapon. The "expert" psephologist, Malcolm Mackeras, is really miffed. There must be a message for the "League-haters" here .. They sure expected to see Dennis Stevenson defeated.

BASIC FUND: Since the last detailed report, several supporters have donated \$5,780 to the Fund, which now stands at \$58,480.

Will those who have been "holding-back", for whatever reason, please now come forward and provide the balance to fill the Basic Fund (less than \$12,000)?

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