



ON TARGET

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The price of Freedom is eternal vigilance —

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THOUGHT FOR THE WEEK: "There is a complete inevitability about the horrors to come (in South Africa) the realisation will grow (in the years ahead) that white settlement was just an interlude....."

"There is no hope for Africa, no hope at all. And in the end we are going to leave the Africans to their fate.

"Why don't we just cut the crap, and say so now?"

— Matthew Parris (journalist), in *The Times* (London), April 11th

THE "NEW SOUTH AFRICA": TIME-BOMB by David Thompson:

The Government of National Unity, heavily dominated by the Marxist A.N.C., must now survive the real power struggle for South Africa. Mr. Mandela and his new Government must balance two essentially conflicting forces. The first is the international banking groups who forced majority rule elections upon South Africa, by refusing to extend credits in 1985. Reports from London indicate that the bankers are poised to "swoop" on South Africa, and snap up rich assets starved of operating capital when sanctions were declared upon the resource-rich South Africa.

South Africa produces 27% of the world's gold, but even more important is the near-monopoly of manganese, platinum and chrome ore. Here is a treasure-house starved of **capital**, and the multi-national banks intend to cash in. It is in the interests of banking groups and multi-national companies to see that the Government of National Unity survives to provide sufficient stability for the treasure-house to be exploited. So, as Mr. John Stone notes in his *Financial Review* (29/4/94) column:

"The I.M.F., the World Bank and many Western governments, including our own, will provide external aid of one kind or another to try to avert the potential disaster **that all of them have had a hand in shaping.**" (Our emphasis). Such aid will be critical in controlling the other major force acting upon the G.N.U.: 31 million blacks with high expectations from "democracy".

As in other parts of Africa where "the vote" has been hailed as a panacea for poverty and starvation, the various tribes of the new South Africa will find that "the vote" cannot be eaten, worn, lived in or ridden upon. It can be 'cast', and once cast in a system of majority rule, the results must then be endured.

As John Stone implies, to his credit, Australia has had a hand in forcing this situation. Almost as soon as he was defeated in 1983, Malcolm Fraser was appointed to a cabal of "eminent" Commonwealth people, who pronounced that South Africa must have "majority rule". Having learned nothing from the disasters that he helped shape in Rhodesia, Fraser dogmatically followed the liberal/Marxist 'line' that the apartheid system must be smashed, and all injustice salved with "the vote".

MAJORITY RULE AND DEMOCRACY: The G.N.U. is scheduled to last for five years before, presumably, a second election will be held in South Africa. Black hopes for "majority rule" are high, because "democracy" is held to be synonymous with freedom, both political and economic. When the first experiments in democracy were made in ancient Greece, majority rule had some relationship to freedom, because the Greek city-state was numerically small, and most important of all, racially homogeneous. Neither is the case in South Africa.

Already some of the minority groups in South Africa are afraid that "majority rule" may hold hope for "the majority", but not for others. The Cape Republican Movement, made up of mixed-race and whites living in the Cape Town region, had their own form of self-rule between 1652 and 1910. Now they say they want their country back! Spokesman Tim Miller says, "We want to live in a country where **minorities are protected**, and free enterprise is encouraged . . .". The G.N.U. cannot provide such guarantees, either for coloureds, whites or the Zulus.

THE A.N.C. GOVERNMENT: For any clue to the stability of the G.N.U., the philosophical pedigree of the A.N.C. must be studied. It is avowedly and unapologetically Marxist. This is played down only in order to calm fearful whites who must continue to run the infrastructure, and potential foreign investors. Joe Slovo, leader of the S.A. Communist Party, is a major force in the A.N.C. It was Slovo's idea to frame an interim constitution including a power-sharing agreement with the whites. Any student of Marxism knows that this is only a temporary arrangement until **all power** can be grabbed. Other key posts in the A.N.C. Government are certain to be filled by a new breed of pragmatic young black marxists, educated in Moscow or other centres of learning. For example, Pallo Jordan, head of the A.N.C.'s. Department of Information, was trained at the London School of Economics, and is reported to regard the Communist Party as **dangerously right-wing**.

The A.N.C.'s. own record in "human rights" inspires anything but confidence. Allegations of torture, embezzlement, and intimidation have been either covered up, or explained away as the products of a desperate people living in oppression. After the Shell House massacre in Johannesburg on March 28th, in which Zulu demonstrators were shot, David Beresford wrote:

"There was something particularly disturbing about those lying next to A.N.C. headquarters on that sunny Monday morning. Above them towered a skyscraper housing the organisation acclaimed as the champion of the black oppressed. And at its foot lay the black oppressed the building's occupants had just shot . . ." Nelson Mandela then **refused to allow** police into the building for investigations into the killing!

Other matters have been covered up, including the suppression of an A.N.C. report that its own social welfare department was mis-managed by Winnie Mandela and her lover. A leaked copy of the report described "a litany of corruption and abuse of office". Mrs. Mandela is accused of defrauding the A.N.C. of tens of thousands of rand, but was **then placed in charge** of the A.N.C. Women's League, and given a prominent place on the A.N.C. ticket for the ballot. It is expected that Mrs. Mandela will be offered a Cabinet position, the likely portfolio being **Social Welfare**.

Majority rule has caused endless misery in African countries. It is a betrayal of African people that it should be forced upon them again. Perhaps Matthew Parris ("Thought for the Week") is right. As John Stone notes, any foreign aid to South Africa will easily be matched by many desperate whites spiriting their capital out in any way they can. The South African time-bomb continues to tick.

"THE MARKET" IS OUT OF OUR CONTROL:

The Treasurer, Mr. Willis, is expected to bring down a budget this week, in an environment where the market is described as "nervous". Although the inflation figures were favourable last week – showing a theoretical rate of 1.4% – the market is "worried" about inflation rising, and interest rates increasing to counter "inflationary" increases in the money supply. The Prime Minister was annoyed with the market, and one headline read: "P.M. lashes Market as C.P.I. falls".

The truth is that framing budgets of any value to Australians is now impossible, since Mr. Keating, as Treasurer in 1984, moved to deregulate "the market". All this means is that since banking was deregulated and the dollar "floated", the Australian Government has little control over financial conditions in Australia. Foreign influences are now enormous. If Mr. Greenspan, of the U.S. Federal Reserve Bank, increases interest rates by one quarter of one percent, as he has done three times now, "the market" goes berserk in Australia. "The market" has become a completely unpredictable law unto itself. The latest advice coming from the economic gurus of the United States is that **the study of psychology** can throw considerable light on apparently inexplicable "market" behaviour.

There are few absolutes in such a chaotic financial environment. One of these absolutes is unemployment, and as we go to press, the White Paper on unemployment is not expected to produce any useful suggestions on how it could be minimised. It is expected that, for electoral purposes, the Prime Minister will promise to pour hundreds of millions of dollars into employment projects, without any indication of where the money will come from. That will be left to the Budget this week. The "market" will not be impressed.

It is only occasionally that a shaft of sanity penetrates the madness of conventional economics. Late in April, Dr. Evan Jones, addressing the Sydney Conservative Speakers Club, stated quite bluntly that, as is widely believed, the unemployment rate of about 10% **is only the official** figure. The real figure, says Jones, is more likely **about 17%**. In a scathing assessment of his peers, Dr. Jones charged that conventional economics has failed, and that **no answers** can be expected from a profession that monopolises all economic thought and advice, and rigorously crushes all dissent within the "profession".

It was Dr. Jones who was quoted in *The Bulletin* in 1991 as saying that economists should cease to be employed as media columnists, and in the long term should cease to be employed altogether. Comparing economists with prickly pear and the cane toad, Jones said, "Extinction is a worthy end for a profession whose brief is rotten to the core . . ."

Jones suggests that some new ideas be tried, instead of mimicking failures in other countries. He spoke at the opening of *The Other Economic Summit* last November in Sydney, sharing a platform with Professor John Hotson, visiting from the United States. While in Australia, Hotson was asked about Social Credit, and replied that **Douglas' analysis had always been correct**. A completely new approach to credit and debt is required. To begin, Hotson suggests municipal authorities be offered long-term credits, created by the State **at no interest**. This, at least, is a step in the right direction.

The professional economists insist that economics is an exact science, like physics, and that "the market" is rational in that it responds to fundamental, empirical information. If this is so, then unemployment-induced poverty **is actually good**. This is rubbish. Governments have a responsibility to ensure that the disadvantaged are protected from such forces as "the market". Some form of financial regulation is essential to protect Australians from global markets.

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