

ON TARGET

A WEEKLY COMMENTARY ON THE COLD WAR

"We will bury you ... your children will grow up under Communism ..." Krushchev.

FALSEHOODS
DISTORTIONS
SUPPRESSION

Registered at the G.P.O. Melbourne for transmission by post as a periodical.

Vol. 7 No. 4.

February 12 th, 1971.

Thought for the week: "A people that has lost true contacts with the soil is ripe for slavery - internal and external." - Gustave Thibon in Back to Reality.

INFLATION AND COMMUNISM: "Inflation, said Lenin, being Capitalism's worst enemy, was Communism's best friend. By debasing the rewards of thrift, inflation undermined economic morale and cast into the ranks of the proletariat more and more of those middle-class professionals lacking the lurch whereby really big financiers preserve their wealth. But inflation, said Lenin, was inevitably resorted to by Western politicians to give a filip to Capitalism in the absence of a nice profitable war." - Douglas Wilkie in The Sun (Melbourne), February 9.

Irrespective of whether or not Lenin actually did say that inflation was Communism's "secret weapon", there is no argument that the Marxists are fully aware of the inevitable economic, social and political results of continuing inflation. The "controlled inflation" of the Keynesian economists requires periodic increases in taxation, allegedly to reduce "excessive demand", higher interest rates and credit restrictions. After a number of business organisations have been destroyed, wage increases have been temporarily halted by increasing unemployment, and the rate of inflation has been slowed down, but not halted, the controllers of financial policy then use the Keynesian technique of the "deficit budget" to "get the economy moving again." A "deficit budget" requires that the Government obtains the deficit from the nation's Central Bank, which creates it with a stroke of the pen in the form of Central Bank credit. Now the cheques drawn by the Government to make use of this Central Bank credit, would be useless pieces of paper if it were not for the fact that they can be used to make use of the nation's real credit, its productive capacity and resources. Now as this productive capacity and resources belong to the Australian people, it is clearly irrational, and unjust, that those monetising the nation's real credit should issue it as if were their property and charge in interest far in excess of the actual cost of issue.

Any suggestion that a part of the nation's financial credit might be issued through the Central Bank as a credit direct to individuals via a consumer discount system, to stabilise the rural industries, or to pay adequate pensions, thus permitting a reduction in taxation, is denounced by the power-drunk bureaucrats as "inflationary." The politicians generally merely repeat what the "experts" have to say. Those who constantly raise the cry of inflation are in fact those who are fostering inflation. After a period of severe financial restrictions, President Nixon has openly admitted that he has been converted to the Keynesian technique of a deficit budget. The political cynic will observe that President Nixon has

his eye firmly fixed on the 1972 Presidential Elections'. In spite of President Nixon's bold promise that his massive increase of new financial credit will produce "full prosperity" without inflation, events will contradict him in exactly the same way they have been contradicting the financial "experts" for the last 50 years. After the electors had very nearly despatched him to the Opposition benches at the 1961 Federal Elections, the then Mr. Menzies quickly resorted to the deficit budget technique, a technique which he had strongly denounced as dangerously inflationary during the election campaign. The expansion of new Central Bank credit certainly "got the economy moving", but it also stimulated the inevitable inflation which flows from present financial policies, policies which are Marxist in conception and in practice.

Prime Minister Gorton's approach to the current inflation situation is no doubt governed primarily by political considerations. But while his Government operates within the framework insisted upon by the "advisers" and "experts", its options are severely limited, and it can only continue to push Australia further down the Socialist road by a progressive centralisation of power. This generates increasing social tensions which the Marxists are delighted to exploit. The continued application of inflationary financial policies enables the Marxist actionists to further the process of social disintegration through more destructive industrial strikes. M.A. Suslov, the Soviet Union's most authoritative ideological theorist, and a member of the Politburo, said in an important address last November on the occasion of the 53rd anniversary of the October Revolution, that "the general crisis of capitalism" favoured a rapid increase in industrial strikes. According to Suslov, in 1965 a total of 26 million people went on strike in Western nations. In 1969 the figure grew to more than 60 million, while in the ten months up to the time of Suslov's address in 1970, the total passed the 63 million mark.

Unless the members of the non-Communist nations can reserve inflationary financial and economic policies, they are doomed to defeat against the increasing impact of subversion and revolution.

REVOLT BY LOCAL GOVERNMENT: "A Wimmera municipal council will send letters to State and Federal Parliamentary members, demanding they try to halt climbing municipal costs." Wimmera Mail-Times, Victoria, February 1.

Under a headline COUNCIL'S CALL TO MP'S ; STOP OUR RISING COSTS, the report went on to say that the Lowan Shire Council wants other Victorian councils to follow its lead and apply pressure to men empowered to beat the problem. Lowan believes that pressure on MPs from individual Shires would be more effective than demands from the North Western Municipalities meeting at Casterton on February 26.

This is one of the most realistic political statements we have seen for a very long time. Effective protests are almost impossible when dissenting parties can be manoeuvred into groups presenting blanket petitions to the Government. Individual politicians can then hide behind party policy, or by duckshoving the responsibility to cabinet. At that level it is impossible to get satisfaction.

However, when each individual M.P. is held responsible and his political neck is threatened if he does not come up with constructive action, then the much-needed revolt from the bottom which eventually will shake the top political hierarchy, will eventuate.

There will be considerable argument on how costs can be reduced. We offer a few pointers.

Federal M.P.'s to be pressured to abolish Payroll Tax.

Federal M.P.'s to be pressured to abolish the principle of financing capital expansion

out of tax revenue. It is estimated a 23% taxation deduction could be gained immediately and postage and telephone charges reduced.

Federal M.P.'s pressured to ensure that such expansion is financed from loan funds made available through the Reserve Bank at the cost of issuance, no more than 2%.

Federal M.P.'s pressured to have all petrol tax returned to the States.

State M.P.'s pressured to ensure that Local Government is paid an equitable share of such petrol tax.

Return State Taxing powers to cut down on inefficiency and irresponsible spending by the Commonwealth Government.

MOVES TOWARDS RECOGNITION OF RED CHINA; "The Deputy Prime Minister, Mr. Anthony, said last night he hoped 'problems' with China could be resolved so that Australia could recognise it. But he could not recognise China just to sell wheat. 'I wouldn't sell my foreign policies or my philosophies just to try to do a trade deal', he said..... He said that the United States was an important ally of Australia and the U.S. saw international difficulties in relation to Taiwan if mainland China were recognised immediately." - The Australian, February 8.

It would be instructive to have Mr. Anthony spell out clearly just what his philosophy is. Mr. Anthony's foreign policy appears to be based upon following what Washington decides. If Washington can find a formula for recognising Red China without blatantly sacrificing Taiwan, then Mr. Anthony will be happy to adopt the same formula.

We have observed for some time that there has been a steady erosion of opposition to recognising Red China in the non-Communist world. The diplomatic recognition by Socialist Pierre Elliott Trudeau of Canada has enabled the Peking criminals to establish themselves firmly on the North American Continent, while the recognition by Marxist President Allende of Chile has provided Peking with a base in South America. Symptomatic of the rot eating into the spirit of anti-Communist resistance in the non-Communist nations is the change in policy by the Democratic Labor Party. The Sun (Melbourne) of February 9 carried the report that the "Democratic Labor Party has no objection in principle to diplomatic relations between Australia and Communist China. The Sun quotes from the current issue of the DLP magazine Focus: "Peking insists as a pre-condition of diplomatic relations, that any relations be broken with Taiwan and that its claims to sovereignty over the island state of Formosa be supported. The DLP has no objection in principle to Australian recognition of the Communist regime in Peking or the establishment of diplomatic relations between Peking and Canberra. However, this is hypothetical because the real-world situation is much more complicated."

The essence of the DLP statement is that should Peking state that it no longer demands sovereignty over Formosa, the DLP has no objection in principle to recognising The Marxist-Leninist conspirators in Peking and permitting them to establish a branch of their conspiratorial apparatus at Canberra. We are told by the DLP that there is evidence that the Peking regime is "softening." It is true that the "soft sell" is being used to replace the hard-line. But this is exactly what the Soviet leaders did when they persuaded the United States under President Roosevelt to recognise them. And President Roosevelt argued that it would help a depressed American economy to recognise the Soviet Union.

It may prove, of course, that the reported change in the policy of the DLP may only reflect the view

of Senator Kane of NSW and a section of the DLP. Senator Frank MacManus has bluntly stated that he is still the DLP's official representative on foreign policy, and that he is completely opposed to the recognition of Red China. Strong electoral support for Senator MacManus, expressed in the form of letters, may be sufficient to halt the growing rot inside the DLP.

BUREAUCRATIC TAIL WAGS POLITICAL DOG: "The need for further (anti-inflationary) measures is hinted at in the Treasury January information bulletin which was released in Canberra last night". - The Australian, February 8.

The Treasury bulletin forecasts just what we warned about months ago: that inflationary pressures would intensify during 1971. The increased tax on petrol, increased postal charges, and the recent national wage increase have by no means made their full inflationary impact on the economy yet. The Treasury bulletin hints that Mr. Gorton's announcement of his anti-inflationary measures may not be sufficient for their stated purpose. What does "grab" us in the The Australian report on the bulletin, is the statement that there has been a "strong reaction" from the Public Service, and that it now appears that the Prime Minister will be unable to cut Government spending this financial year by a proposed \$100 million. It is clear that the Federal bureaucracy has been allowed to expand under Socialist policies, from both the Liberal-Country Party Coalition and Labor Party, to the stage where the Government is far too dependent upon it. Indeed, there is ample evidence that the politicians even fear it. The regeneration of true democracy requires drastic action to curb the power of the bureaucracy, making it the servant of the policies of the elected and paid political representatives of the people. A swollen and totalitarian bureaucracy is striking evidence that there has been an excessive centralisation of political, financial and economic power.

STEP BY STEP TOWARDS NATIONAL SOCIALISM: "State agriculture ministers at a meeting in Melbourne yesterday gave preliminary support to a suggestion from New South Wales for co-ordinated State controls over the number of eggs produced in Australia each year." - The Australian, February 9.

Those who believe in the free enterprise system and economic democracy, support the principle that producers should compete to serve the desires of the consumer. The establishment of quotas for primary producers is a major step towards the erection of the National Socialist State. Australian wool producers please take heed!

CORRECTION: In last week's item, SLANTING THE NEWS FROM SOUTH AFRICA, reference was made to Australian press editorials finding the Anglican Dean of Johannesburg "guilty of whatever he was supposed to have done." The word "guilty" should have been "innocent."

FINANCIAL FUND FILLS SLOWLY: Over the past week, 22 readers contributed \$559.40 to the basic financial fund of The Australian League of Rights. A total of 418 supporters have now contributed and/or pledged \$16,281. The minimum target is \$25,000. League campaigning is being intensified at all levels. Some of the campaigning is tough, as witnessed by a telegram from Jeremy Lee in Western Queensland, where he is battling with mud, floods and a broken windscreen. League campaigners can meet all challenges providing they are backed financially. Australia's future is being decided NOW.

"ON TARGET" is published by the Australian League of Rights, Box 1052J, G. P. O. Melbourne, 3001
Subscription rate \$4.00 per annum. W. & J. Barr (Printers) Pty. Ltd.