



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance—

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Thought for the Week: Good woods burn silently, but thorns crackle loudly, crying out all the time -
"We are wood! We are wood!"

-Old Persian Proverb.

I'M THE GREATEST: (WE'VE HEARD THAT SONG BEFORE): "The Prime Minister, Mr. Whitlam, believes that he was Australia's greatest Foreign Minister, and he regrets very much having to give up the job."

The Australian, November 10th.

We have not been alone in describing the Prime Minister as an incredibly vain man. Several members of the Opposition parties have commented upon this vanity. A man of such vanity would bathe ecstatically, in the glow of (imagined) international acclaim, as he strutted and pranced on the world political stage. As we pointed out in last week's On Target; the Peking pragmatists know their man, and what our 'greatest Foreign Minister' considers to be his ultimate political triumph, will turn out to be a very, very hard ride: but he doesn't know that yet, and he would be the last to recognize it when it comes. The poor Australian people will remember the incident when the Red Chinese, and/or their agents are knocking on our Northern doors. The Australian people will also remember our rebuffs, at this time, to our natural allies in Southern Africa. The hostility of the Commonwealth Government towards Southern Africa has intensified since diplomatic relations have been established between Canberra and Peking. Was this part of the deal?

Mr. Whitlam consoled the Soviet Government that they were not being rejected by him, and that he would deign to pay them a visit next year. This was said by Mr. Whitlam at the National Press Club very recently. His words were:- "It has been brought home to me that the Soviet Government does have some feeling that they are being rejected".... "I expect to be visiting Moscow and other European capitals around next June."

How the crafty Kremlin power-men must be splitting their sides! : : :

Mr. Whitlam's growing confrontation with Mr. Hawke (himself no mean egotist) will aid in shaking the Australian Labor Party as their respective areas of difference grow, as they must. Mr. Whitlam's area of responsibility (such as it is) in the parliamentary sphere. Mr. Robert Hawke's area of responsibility is in the Trade Union sphere. Already there are differences on the Incomes clause of the coming Referendum (although we have remarked in a recent issue of On Target that Prices may well

embrace incomes). Then there is the difference over increases in Income Tax. Mr. Hawke wants the increases to restrain inflation (or so he thinks); he doesn't believe that any pre-election promises by the A.L.P. not to increase direct income tax should prevent the Government from now on doing this. None of that quaint, old-fashioned nonsense for Robert Hawke!

Not that we believe that Mr. Whitlam would hesitate either, if he were not apprehensive of electoral repercussions, as well he should be. Mr. Whitlam's troubles are only just starting. In a few short months he will have on his plate: an inflationary problem of unprecedented severity: the Senate elections; and possibly a Double Dissolution: the probability of an economic recession, which may develop into a major depression. As a "warm-up" to this, he has his Prices and Incomes Referendum on December 8th. The N.S.W. State elections are coming up immediately. These will probably be won by Sir Robert Askin; and this won't improve the electoral stocks of Gough Whitlam's "Australian" Government (as he likes to call the Commonwealth Government.) There have been many self-deluded personalities throughout history who came to grief; largely as a direct result of self-hypnosis, which separated them from real issues in the real world. It is likely that we have another one coming up. "Roosters to-day, feather-dusters to-morrow".

A PROFESSOR OF (ARBITRATION) ECONOMICS: "Strikes sometimes provided the only means of solving industrial problems, Professor J. E. Isaac said yesterday."

-The Sun, (Melbourne) October, 30th

Professor Isaac is one of the forward-thinking gentlemen appointed by the Whitlam Government, and is Vice President-elect of the Arbitration Commission. When he spoke those words he was addressing the top body of management of private industry in Australia--the Institute of Directors of Australia. As another indication of the extreme sickness of the situation confronting us, there was no report that Professor Isaac's words caused any sort of reactionary explosion; or even rebuttal; or ridicule.

When the Vice President of the Arbitration Commission--that body set up to prevent strikes; gives the green light to the revolutionaries to promote their disruptive class warfare, and without any red-blooded reaction from those who should understand what it is all about, then the Orwellian 1984 is a reality.

In fact, the Aesopian language of the Marxist dialectician is evident in the remarks of the professor. Strikes, we were told, are an unavoidable cost in our pluralistic (unequal, different levels) society. Now for the gem--"And a small part to play for social stability."

Professor Isaac is a professor of economics who gained a degree at the London School of Economics; that fount of Socialist economic theory, and he has been busy indoctrinating his students with it at both Melbourne and Monash universities. When appointed to the position of Vice President of the Arbitration Commission, he made the remark - "it is one thing to be a student of industrial affairs, and another to be personally involved."

-(The Sun, October 18th)

We can only hope that, in some miraculous way, his own personal involvement will now make him feel full responsibility for the heavy task before him.

BRICKS-MORTAR-CHIPS: At the beginning of the recent Israeli-Arab "hot-war" eruption, and Italian brick-layer knowingly said to us-: "America and Russia; big fight; big war; no?"

We replied: "Luigi, America and Russia will not fight; they are friends together."

Further explanation caused a great shaking of the head, and Luigi went back to laying bricks, a very straightforward and uncomplicated activity in comparison to international politics.

On seeing us again last week, the temptation was too great for him: "So Israel win the war again," with an expressive wave of his trowel; and before waiting for an answer from us, he lifted his eyes and hands to heaven to express his confusion before interjecting - "Why"? We patiently explained to him that it has never been the intention of **the** Soviet Russia, that the Arabs should win, and that those in real control of world affairs in the U.S.A. and the U.S.S.R. are friends: were friends before the Russian Revolution. "America" has been continuously bailing the Communists out of their economic difficulties. We explained "America's" role in Lenin's New Economic Policy (N.E.P.), then the Stalin-Roosevelt get-together, first in the 1933 New Deal subsidization of Communism's programme; and then the physical protection, salvation, and expansion of that programme during the 1939-45 period, followed since (as before) by massive technological exports, and massive exports of foodstuffs. To the extent of enabling the Soviet to supply America's enemies with armaments: to kill American soldiers in such places as Vietnam.

"Why", we said to Luigi, "should such friends (omit the "r" for a more accurate description) suddenly go to war over a few poor, ill-treated Arabs, whose homeland has been robbed from them?"

"Have you noticed the accord between the two 'great' powers on the need for U.N. intervention and the establishment of an international army to carry out the commands of a super government; in fact a World Government?"

All this was too much for Luigi!

THE INFLATION THAT WON'T GO AWAY: "Australia's inflationary pressure is building up to crisis proportions".

-The Age, (Melbourne)

We could have told The Age that two years ago. We also are fully aware that under the orthodox rules of "the Money Game" that the only "remedy" our economists have for inflation, is deflation. This doesn't stop inflation, by any means: it slows the rate of inflation; and the cost of this is unemployment. This "cost" helped to put the Liberal-Country Party coalition Government of Mr. Mahon out of office. We know that Government banking policy is now restrictive, and that the screws will be "on" in the early months of 1974. Now a Melbourne-based economic research group (Syntec Research) has issued a November bulletin to state what the League already knows. This group is of the opinion that credit will be squeezed ruthlessly between now and next June (1974). It is unlikely that the "bite" will come before the Senate elections: approximately six months elapses before Government monetary policies have their anticipated effect. If the credit tap is turned right down now (November) the maximum "bite" will be felt in the economy by May 1974. This research group says that the Government will have to choose between the imposition of higher personal income tax, or a general rise in interest rates. We think that this is most probably correct; and we anticipate that Mr. Whitlam will settle for the rise in interest rates - against the advice of Mr. Hawke, and no doubt, many "experts" in the Treasury. Mr. Whitlam will not be enthusiastic about higher personal taxes in a political climate which is running against the Government.

The Syntec research group believes that the rate of inflation will speed up in the months ahead because of excessive demand pressures, and buoyant economic conditions abroad.

We remain rather sceptical about the influence of demand pressures in inflation. There is no doubt that in some areas, such as the building industry, there have been real shortages: there are other areas also. But many of these shortages have been exacerbated by strikes, rather than the economists "excessive demand". It is true that in the boom conditions, such as Australia has been experiencing as a result of Mr. Snedden's Bribery Budget (which didn't) of 1972, and Mr. Crean's expansionary Budget of 1973, that a strong demand for labour has forced wages up, and these increases have been carried forward into prices; however, wage increases really serve only to maintain the momentum of inflation: the real problem is still cost inflation. The "demand" factor can be removed rapidly by monetary measures, but this does not necessarily stop inflation: the "phenomenon" of stagflation has not manifested itself in Australia yet, as it has in the U.K. Stagflation is continuing inflation, accompanied by falling demand and unemployment: and we feel that Australia could well see this in 1974. Mr. Whitlam and his Parliamentary colleagues will have all this on their plates in the coming months. Mr. Whitlam will discover that the bread and butter issues decide the fates of governments-that job; that loan; that pension! The antics of Prime Ministers in the phoney international arena don't even rate in comparison with harsh everyday realities such as these.

BIG BROTHER WILL TEACH YOU: "Australia's biggest union, the Amalgamated Metal Workers' Union - wants its members who work for the Federal Government to get time off to attend worker education classes."

-The Age (Melbourne) November 12th

It goes without saying that this particular union is under heavy Communist pressure. Mr. Laurie Carmichael is on the national executive of it, and Mr. Halfpenny is the Victorian secretary: both are Communists. It is instructive to read that the "classes" would concentrate on economics, industrial procedures (guess what these will be...Ed.) and negotiating methods (guess again...Ed.) And, furthermore, we have no doubt at all as to the political leaning of the proposed union "instructors":-"we are quite prepared to supply the necessary equipment, tutors, and anything else that is needed," said Mr. John Halfpenny. We bet they are!

We note that the classes will not cover such subjects as languages, mathematics, various sciences; as these are not the desired type of "education" the comrades in this union desire for their members. As can be seen by the recommended subjects, the workers who do attend these "classes" (and the comrades will put the pressure on to persuade as many unionists as possible to attend,) will be indoctrinated in the techniques of industrial warfare and socialist economics. The promotion of the Workers' Control Movement will also be undertaken at these "classes": in other words, revolutionary Marxism.

MAGNIFICENT START TOWARDS BASIC FUND OBJECTIVE: The initial response to the general launching of the 1973-74 Basic Fund of \$25,000 in last week's On Target has been magnificent. No doubt all have been inspired by the lead of the "pace-makers" who pledged or donated \$9,000. We will start to report detailed progress in our next issue.

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