



# ON TARGET

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*The price of Freedom is eternal vigilance —*

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Thought for the Week: "I think that there is some truth in the non-academic definition of inflation, which says that you are in an inflationary process when prices that once looked appalling begin to look appealing."

-Dr. Adolfo Diz, Argentinian economist.

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COMMUNISM AND CONSERVATIONISTS: "In their mad scramble for more money and power, these giant empires stop at nothing. They kill our wildlife for pet food. They pollute our rivers and seas... They move remorselessly into the few remaining aboriginal reserves... Rising prices and the ever-increasing profits of these monopolies are a major cause of the inflation which attacks all Australians."

- from a Communist pamphlet, Melbourne, Feb. 26th.

This pamphlet - "Save Australia" was handed out in the Civic Square, by groups of young people. The young man who handed the pamphlet to us works, full or part-time, in the Maoist Communist bookshop in Melbourne. We often see him there.

League supporters may not be fully aware that the Communists have been infiltrating these "conservation" "green-Ban", "ecology" movements for some time. Why? There are many reasons.

We have never ceased to assert; and never will, that Finance produces the crises in society for the Communists to exploit. It is most depressing that much of this propoganda which is disseminated by the Communists is partly true; and sometimes even true. But the "mad scramble" which, without doubt, goes on is brought about by the West's subjection to the "laws" of modern finance-economics, "laws" which we assert of fallacious, and further, are driving the free-enterprise system of capitalist economy to sure destruction, to be replaced by a "people's" socialist system of government. In other words, revolution!

The International Communist apparatus long ago saw in the ecology and conservation movements the opportunity to turn large sections of the population of Western countries against large businesses, in particular; and by inference, against the Capitalist system.

It is true that a growing number of people are really concerned about the plunder of our natural resources, and the destruction of our great natural assets. And why not? Apart from the propoganda against the Capitalist system, there is ever-present the potential for frustrating "efficient" development of capital works, such as highways, ring-roads, airports (Galston) etc., and turning these into political issues

against the particular government of the day. Protest marches; deputations, rallies - all skilfully organized may follow: very many sincere people are attracted to the conservation and ecology movements, and from this number, a certain proportion will be caught up in the Communist "transmission belt" into Communist Party fronts; and from this number, some will find their way right into the Party itself.

But, of course the "ecofreiks", as these people are rather unfairly called are being agitated by the effects of a fallacious finance-economic system which forces capitalist manufacturers to produce for figures in books, for money, and not for the genuine requirements of individuals. As long as this system itself obtains, the "mad scramble" (and that is what it really is) will accelerate.

This system cannot continue indefinitely: it will break down - that is certain. The Communists say that Capitalism contains the seeds of its own destruction; and under the present finance-economic "laws" this is true. Communism contains the seeds of its own destruction also. But League supporters can also turn the "ecology kick" to the League's advantage by explaining the real causes of the insane drive by big industries and monopolies for ever-greater production, and then introducing interested people to League literature etc.

Incidentally, we have often been asked the origin or meaning of the green symbol which appears on the middle plate, bottom row on the cover of "None Dare Call It Conspiracy". It is the symbol of the American Ecology Movement.

THE SENATE CASTS ITS SHADOW: "The Senate has seldom operated as a States' right House. Despite the plans of the founding fathers, party politics put paid to that; but now the danger is that the Opposition will use its muscle in the Senate to do what it cannot in the House of Representatives."

- The Age (Melbourne): editorial Feb. 21st.

Unfortunately the assertion by The Age that party politics has prevented the Senate from operating as a States' rights House is only too true. But the solution is not to abolish the Senate, which The Age infers is necessary at the end of its editorial, but to attempt to extirpate the smothering influence of party politics in the Upper House.

We have remarked elsewhere that we believe that the systems of party political government to which we have grown accustomed are beginning to fragment: and we think that evidence of this may become manifest at the coming Senate election in May. We are already seeing a scrap between the Liberal Party and the Country Party, as each Party gears itself for what it believes is a come-back. The Liberals obviously think that they can do better without the "old-fashioned, conservative" image of the Country Party; "The farmers party". The Country Party elders obviously think that the Liberals have ditched them and they are desperate for survival - hence their deal with the D.L.P. in W.A. which could be followed by further amalgamations. Now the Liberal Party itself is dividing into snapping factions: evidenced by the vocal disagreements between Mr. Snedden and Mr. Fraser over the possible wooing of the Australia Party (that means he is supplying the financial backing) says that there is nothing doing unless the Liberals change their policies - to the left.

We believe fervently in the need for parliamentary checks and balances to prevent snap legislation being steam-rolled through Parliament into law: we believe that the Senate has generally done a good job since the change of government at Canberra in December 1972. With some almost revolutionary legislation, such as the Human Rights Bill, and the Race Relations Bill, coming forward, it is vital that the

Senate watchdog be on the alert.

Much is being made of the lack of alignment between the two Houses, and there is to be a referendum, held concurrently with the Senate elections to bring them into line. Our view is that proposal should be rejected - the prime reason is that political issues are put more into perspective if they are not obscured by being agglomerated with many other issues which is inevitable if elections are held less frequently. With Senate Elections held away from the House of Representatives elections key political issues become more separated - more amenable to closer scrutiny: a desirable thing. There could be some surprising developments as the Senate elections draw nearer. League supporters should question candidates on their attitudes to the role of the Senate, States' rights, centralisation of government, socialistic "regionalisation" and a host of other matters; especially Senator Murphy's Human Rights Bill and Race relations Bill. We shall provide more details in due course.

LETTER ON INFLATION: From "The Financial Times" (London) January 3rd., 1974.

"Sir,

Could we not, just for once, get down to the fundamentals in this matter of inflation?

Inflation is a monetary phenomenon; and money is not part of nature, but an artefact created and controlled as to its general direction, by relatively few, and progressively fewer, men. No doubt it is convenient to these men to perpetuate the myth that money is not thus centrally issued and controlled, but is a sort of natural social phenomenon, automatically and sensitively reflecting in financial terms the economic operations of innumerable free people in a free market.

This never was as much as half-true, and is now manifest nonsense, even though the behaviour of people in general, under the pressure of monetary devaluation, does tend to accentuate it; but this does not alter the fact that monetary devaluation, which is merely another name for price inflation, is primarily a technique of policy-something done by those who control the monetary system to those who do not; and it is as old as money itself.

Formerly, it used to be done by coin clipping, or by debasing the weight or metal content of the coinage, but nowadays it is a built-in characteristic of the technique of credit-issue, whereby new bank credits enter the system only by generating inflationary costs, which can be met in full only by the issue of more credits generating more costs, so that our economy resembles a leaky balloon, which can be kept from collapsing only by progressively harder inflationary pumping.

Surely the idea that our monetary system can keep the economy fully operating without inflation, or any need for consumer credit, is as dead now as the Dodo! But though it manifestly cannot do this, it ought to be able to do so.

The only way in which prices can be kept from rising, without a catastrophic depression, is by a general price-discount, providing for sales below cost, the difference being made up by a direct credit to the seller. Price subsidies out of taxation, though a better use of taxation than most of the uses it is put to, which are inflationary, would merely push the problem around without solving it, and would probably also so drain the economy as to precipitate a slump.

But does anyone now seriously suppose that all the collective incomes of the people, whether or not re-distributed by taxation, can pay the full economic cost of our railways, roads, housing, education,

health and other public services, in addition to necessary and legitimate private living costs, without continuous inflation, leading quite certainly to disaster, unless such a price-discount is instituted? To be sure, it would require a radical change in accepted thinking about credit-issue. The suggestion has been jeered at by economists for half a century.

But is not the situation now such that prejudices must be set aside? Or must our entire society be revolutionised in order to preserve current financial conventions, rather than the other way round?

-signed: (Dr.) C. G. Dobbs, University College of North Wales, Bangor.

Dr. Geoffrey Dobbs will be well-remembered by many League supporters who heard him speak in Melbourne, and elsewhere in Australia, some few years ago. His valuable little book - "Responsible Government in a Free Society" is still in print. Price:- 57 cents, post free from all League offices.

MR. LYNCH OPENS FIRE FROM OPPOSITION BENCHES: "Commonwealth spending would be cut back under a Federal Liberal Government, the Deputy Opposition Leader, Mr. Lynch said yesterday."

-The Age, Feb. 16th, 1974

Mr. Lynch is no doubt finding that he is able to launch attacks easily on the Government from the "luxury" of Opposition. It is one thing to say that a Liberal Government would do this and that, and heaven knows what else, if it were the Government; and another thing to actually do these things when actually in Government.

Some of Mr. Lynch's proposals, stated by him at a meeting of the American Chamber of Commerce in Melbourne, are of value; but his monetary and fiscal proposals add nothing new, and are merely deflationary measures, which will slow inflation, but which will bring on unemployment; just as Mr. Snedden's 1971 Budget did. Mr. Lynch suggests: -cutting back on Government expenditure (a deflationary move) meaning less capital works, less Government contracts etc. etc.

Gradually reduce interest rates:- (another deflationary move) interest rates are a cost, and are pushed forward into prices. Economists also look upon interest rates as deflationary if they are kept high in a period of rapid inflation; such as now. Their reasoning is that there is too much money chasing too few goods, so the remedy is to "mop up" excess liquidity in the economy to ease the demand for goods and services which is forcing prices up. This is nonsense of course: the volume of money held at any time by individuals would not liquidate one quarter of the total financial debt of Australians.

Provide tax relief for low and middle income earners:- This is just fine, but the trouble is that under the rules of the Money Game and Big Govt. some-one else pays the tax. If taxation is eased on the small man, then the "fat cats" (to use Mr. Cameron's phrase) will be paying more.

BASIC FUND: This week past, 13 League supporters have donated \$360.50 to the Basic Fund taking the progressive total to \$23,563.44. Just a little push from all who have not contributed as yet will sweep us past the target.

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