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# ON TARGET

- NEWS HIGHLIGHTS
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*The price of Freedom is eternal vigilance—*

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Thought for the Week: "But while money has no inherent value, being a device rather than a thing, it has value of another kind - scarcity value. If money is treated as if it had a real commodity value, that value is enhanced by keeping it in relatively short supply. Money also has a 'real' value, which can be defined as its purchasing-power. This, of course, derives from its use as a unit of accounting. What money really measures in this case is the relative value in cost-accountancy terms of various goods and services. It is important not to confuse this 'value' with price..."

- B. W. Monahan, in Alternative to Disaster.

ECONOMIC INSTITUTE RECOMMENDS CONSUMER SUBSIDY: "The Institute recommends indexation of wages, and attempts to reduce prices; including reductions in indirect taxes, as well as short-term subsidies to producers or consumers."

- The Australian, August 6th

The Institute of Applied Economic and Social Research, at Melbourne University, describes the economic situation in Australia as the most serious since the depression days of the early thirties. This is no exaggeration. We have warned in these pages for the past 2-3 years at least that not only a severe recession in Australia; but world-wide, is inevitable unless the basic rules of finance-economics are radically altered.

Our repeated calls to politicians for the introduction of the consumer subsidy have been brushed aside over the years by "knowing" politicians; who parrot the absurdities of the orthodox economists. All sorts of smoke-screens have been raised by the elected "representatives" of the people: primarily, of course, concerned with representing themselves: (and doing very nicely thank you, with generous pay increases for themselves at the expense of the taxpayers).

Our ears have been assailed by anguished cries: "The subsidy is only a crutch"... "It won't work without rationing which people won't accept in peace-time."... "Where is the money for it (the subsidy) to come from??"... And more, in similar vein. All rubbish - naturally.

In our issue of On Target of May 31st we gave a typical example of how the consumer subsidy would effectively reduce the cost of living for an average family at a fraction of the cost necessary to finance a significant wage increase. The subsidy is not a crutch, but an effective device for combating inflation. Rationing has nothing whatever to do with the issue: people who think that it has are confused by their memories of war-time shortages of consumer goods attributal to the imposition of a war-time

economy. People can still only eat so much meat; so much bread, so much milk; so many eggs, no matter what the reduction in the respective prices of these basic items of foodstuff.

The money comes from the same source as all moneys for Government spending; taxation-loans-even Government deficit-finance, if necessary. The only difference would be that much less money will be required to finance the subsidy system than to finance inflation. The Institute forecasts that unless new policies are adopted, the consumer price index will rise by 22% during 1974-75. It further estimates that if indexation is adopted without its suggested remedial measures being implemented (i.e. reduction of indirect taxation, consumer subsidies etc.) then there will be an inflationary rate of 34.3% by the end of 1976. Even we are staggered by this figure; but we are inclined to the opinion that the Australian economy would collapse before this rate of inflation was reached (Indexation is the gearing of regular cost of living 'indexes' to wage rises...Ed.)

Supporters of the League should now use this powerful 'ammunition' provided by the Institute of Applied Economic and Social Research at Melbourne University to cut some of these pompous politicians, who have rejected the consumer subsidy concept, down to size. Supporters will be astonished at the ease with which this can be done!

WILL INFLATION DESTROY THE WHITLAM GOVERNMENT?: "Inability to handle inflation would defeat the Federal Government within 12 months; the State D.L.P. leader, Mr. Frank Dowling, said yesterday".

- The Sun (Melbourne) August 5th

Mr. Dowling is most probably correct when he asserts that division within Cabinet and the A.L.P. Caucus would ensue from the struggle between the "anti-inflation" factions, but we can't agree with his further remark that the Government could adopt a coherent plan to deal with inflation. It doesn't have one; neither has the Opposition - in spite of all Mr. Bill Snedden's ranting and posturing. The Liberals and Country Party are as much in the dark as the Socialists: none of them understand the true causes of inflation: none of them can do anything about it along orthodox lines. The Institute of Applied Economic and Social Research has made a really constructive suggestion with its advocacy of reduced indirect taxation and the consumer subsidy (this was called for weeks ago by Mr. Bjelke-Petersen, of Queensland), but even these, although steps in the right direction, are just a mere beginning.

Mr. Dowling, we feel, was referring to the growing contention between A.L.P., who'll go along with the credit restriction-unemployment 'treatment' and those men like Mr. Hawke and Mr. Cameron, who won't wear unemployment at any price.

Yes, we are in general agreement with Mr. Dowling that the Whitlam Government is unlikely to last its anticipated term of three years. As unemployment mounts (as it will) in the months ahead there will be convulsions within the A.L.P. as died-in-the-wool Socialists see unemployment, which they believed could only happen under an evil Capitalist system, climb steadily under a Socialist administration. The Communists will not be idle. Mr. Laurie Carmichael, Mr. Ted Bull, Mr. Jack Munday, and all the jolly band, will be turning up the heat under industry: wreaking havoc. We won't predict the outcome of all this; but it will be horrible.

The so-called Liberal-Country Party 'Opposition' may well be returned to office; but it will virtually be helpless against inflation and skilful industrial warfare.

Mr. Dowling's D.L.P. colleagues may think that the looming economic crisis may resuscitate a dying political party; but it, too, has no answer to inflation; and if it (the D.L.P) does experience a brief renaissance, it will be merely transitory.

There is only one Movement which can become a focal point for the forces of construction and stability, and that is the Australian League of Rights. We know from the intense interest in the League whic h is now pervading the academic and business worlds that League influence will explode into the Australian community in the very short years ahead. The Enemies of the League know this too. Let the battle be joined!

CYPRUS: WHAT'S IT ALL ABOUT?: We are indebted to "Weekly Review" (U.K.) July 25th for some illuminating information on the Cyprus affair:-

"Now that the work on clearing the Suez Canal has started, with the prospect that the Soviet Black Sea (and Mediterranean) Fleet will be able to pass through into the Red Sea and Indian Ocean within a year, Russia has turned her attention to another high priority target - that of neutralising Cyprus by forcing the closure of the British (and therefore Nato) air and naval bases on the island." (Emphasis original)

"Moscow needs fuller control of the Eastern Mediterranean in order to utilise the Suez Canal adequately. The facilities offered to Nato from the British bases on Cyprus are a great potential hindrance, and Russia is determined that they must go. In Soviet phraseology it is a question of 'consolidating peace in the Eastern Mediterranean by consolidating the independence, sovereignty, and territorial integrity of Cyprus by liquidating the foreign bases in its territory.'"

"The best organized political group in Cyprus is the Communist Party, and although the Russians have attacked the Cyprus National Guard as being a tool of Nato, there is no doubt that they are prepared to use 'agents provocateurs', and exploit any situation which will cause an upheaval, because it is in such conditions that a revolutionary situation can be created."

We (A.L.O.R.) have little doubt that the Communists are skilfully exploiting the traditional hatreds between the Greeks and the Turks to foment the very revolutionary situation mentioned above.

BRITAIN TURNING AWAY FROM COMMON MARKET: "The British Government would recommend withdrawal from the E.E.C. if it could not re-negotiate conditions of membership satisfactorily, the British Secretary for Trade (Mr. Shore) said yesterday." - The Age, (Melbourne) August 1st.

Our view on the Common Market, and Britain's membership, has been made plain since 1960; before Britain's negotiations for entry even began. It was, and is, one of total opposition. We don't intend to go into the Common Market issue here: we have dealt with it fully elsewhere. It appears to us that realization has dawned in the U.K. that the E.E.C. is a king-size flop, and that the 're-negotiations' are merely the excuse for pulling out. And rightly so. Britain should never have gone in. The British people didn't ever want it; they were pushed into the E.E.C. by Edward Heath (and his backers) whose chickens are now coming home to roost.

It is almost certain that a referendum will be held in Britain on the Common Market issue; in which case our opinion is that the verdict will be a resounding "No". Mr. Shore expects the final verdict

before Mr. Heath (the tool of the Internationalists/Financiers) can lock the door on Britain's entry. Even a person of Heath's consummate gall would find it politically dangerous to fly in the face of a strong decision by the people at a referendum.

The same Mr. Shore (Australian August 5th) warned of a disastrous world-wide recession if countries raise trade barriers to combat inflation. He was speaking at a meeting of the Australian-British Trade Association. What followed is very familiar to us: - "We have to try to create a new international system for recycling the vast currency surpluses which are now building up on the oil producers' accounts, and we have to press on with reforming the world's monetary system".

We have had a lot to say recently in "The New Times", the League's monthly journal of political economy on the 'reformation' of the world's monetary system; which, in plain words means the strengthening of the grip of the International Financial Houses on the International Monetary System. We have stated repeatedly that a major world recession, triggered by inflation, will be instigated, under pressure of which the West is likely to be forced to accept still further international monetary centralisation: and in particular, a single, sole World Reserve Currency. Moves are already afoot to bring the Communist bloc into the International Monetary Fund. These questions, and related matters are dealt with in depth in "The New Times". (yearly subscription \$6.00).

WHAT IS DR. CAIRNS UP TO THIS TIME?: "Federal Cabinet yesterday approved the establishment of an overseas trading corporation to engage directly in trade with communist and developing countries."  
- The Australian, August 8th

It was the Minister for Overseas Trade, and Deputy Prime Minister, Dr. Cairns, who proposed the corporation, and will administer it (we bet he will). He eventually wants it to become a major vehicle for tapping new markets. (We bet he does: especially Communist markets). It will be interesting to know what reasons Dr. Cairns will bring forward for the formation of this Overseas Trading Corporation, which would appear to us as an embryonic Soviet Australian Ministry of Trade: burgeon forth after private enterprise has been knocked out. A few years don't matter all that much: the point is that the embryo will be there, functioning, and ready for rapid development. Government officials confirm our suspicions: they said that the Corporation would concentrate on Eastern Europe, South East Asia (North Vietnam, Cambodia) and Latin America (no doubt Cuba especially, and other Communist-influenced nations).

Dr. Cairns said that the body would supplement, rather than compete with private firms. This would be right: the Doctor is not interested in competition at this stage. This (elimination would be a more accurate word) will come later. For now, the successful establishment of this Corporation is sufficient. Dr. Cairns always knows what he's doing!

BRIEF COMMENTS: A supporter has sent us this item from "Druids News" (Melbourne) No. 7, August '74: - "The costs of the Swedish Health Care System have risen from \$305 million a year in 1960 to \$2.77 BILLION a year in 1972. The Swedish taxpayer is the most heavily taxed in the world. The average family now pays an average of 55% of its income in national, local, Social Security, and value added taxes."

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