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ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week: "A Great aggressive power is at work in the world: boring, undermining, and overthrowing. Every effort is made to prevent knowledge of what is happening from reaching the people. Only by that knowledge can nations avert the dangers threatening them."

- A. N. Field, in "All These Things" (1936)

THE WHITLAM ERA PASSING: "Mr. Whitlam's anti-inflationary strategy is in tatters".

- Kenneth Davidson, in "The Age" (Melbourne), August 27th.

We don't have any desire to re-hash all the opinions and commentaries which have been ventilated in and on the various organs of the mass media. The general consensus is that Mr. Whitlam's speech to the nation on the state of the economy was disappointing: we agree with this; then we expected nothing else.

Mr. Whitlam has arrived at that stage; which, as we predicted many months ago, events would overwhelm him. Mr. Whitlam is a "fair-weather" performer. He romps and prances, exultingly, in the spotlight of public acclaim. In the heady days of 1973; with trembling hands on the levers of power: with all the Socialist pack puffed up with the importance of office: and with astute operators, silently working behind the scenes, in order to fix themselves in positions of influence for the future; Mr. Whitlam, with all his incredible vanity, must have thought that the euphoria was to stay. However, reality has obviously dawned and Mr. Whitlam will find that even his adoring public will turn on him like a pack of wolves if he can't deliver the goods. And he can't.

The majority of people, struggling against inflation, will resent his clap-trap that "we are all better off" than we were one year ago. We aren't! Even if some people are keeping up, or even a little ahead of inflation, because of salary increments; and these would be well in the minority; the broad mass of Australians are worse off because their assets, such as savings, investments, insurance policies, are all eroded away by the fires of inflation. Furthermore, their commitments, such as education of growing children; payments to various health protection funds, interest of home mortgages etc., etc., etc., are all increasing apace. The man is talking absolute rubbish. For once we agree with Mr. Bill Snedden, Leader of the so-called Opposition, who also rejects Mr. Whitlam's unrealistic optimism, and furthermore asserts that he (Mr. Whitlam) calls for restraint by everybody except the Government.

Inflation will continue apace. Channel 2 devoted the whole of its programme, T.D.T., after the Prime Minister's speech, to commentary on it, and on inflation in general. All "experts" talked around effects: none of them even approached anywhere near the real source of the evil now moving into

top gear to smash Western civilization: and this is no exaggeration. That is the financial system itself. Inflation is an effect of the running of the financial system: the faster it "runs" - the greater the rate of inflation. No Socialist or Communist has ever attacked the financial system. Private banks, yes, certainly - but only in order to erect a case for nationalisation, and greater central control of the economy. But not the financial system. No sir! For clarification of this phenomenon, we advise supporters to study "The Naked Capitalist" by W. Cleon Skousen, and "None Dare Call It Conspiracy", by Gary Allan. Both books are available from all League offices. Now that Nelson Rockefeller is being groomed to be the American Vice-President; perhaps the President himself, very many former doubters are having the veils snapped away from their eyes as they now see the power of International Finance moving nakedly into the White House. It was always there, of course, but these forces are now so confident of complete physical control of the world's peoples and resources that caution and subterfuge are being relaxed in an all out effort to overcome an emerging time-factor which may well thwart their grand design. The League of Rights Movements throughout the British world will be doing all in their power to turn this time-factor against what has come to be known as the Conspiracy. We are now witnessing the smug smirks of our elitist academics turning to consternation and grief as more and more of them "wake up" and realise that they have been "had."

MR. HAWKE SENSES DANGER TO HIS POWER BASE: "The Federal Government would be voted out of office if the rate of inflation was not reduced, the A.C.T.U. and A.L.P. President, Mr. Hawke, said last night."

- The Sun, (Melbourne) August 22nd.

That's what we were saying in ON TARGET a year ago. We don't expect that the now-fragmenting Whitlam Government will run its full three-year term. Inflation will destroy it, Mr. Snedden and his colleagues, are confidently waiting in the wings, awaiting "the call". They will elbow, knee, and kick one another in their mad scramble back on to the Treasury Benches. That is their policy: to get back. But, poor Mr. Snedden, assuming that he stays the distance, and he probably will - he's pretty tough - will be unable to do any more about inflation than Mr. Whitlam. But that isn't all. Mr. Snedden will have a more intensive industrial warfare waged against his Government than has Mr. Whitlam now. We can see ahead at this stage terrible industrial warfare, the like of which Australia has not yet witnessed - probably with the shedding of blood. This was foreshadowed by Mr. Laurie Carmichael; senior Communist industrial strategist, on a T.V. appearance some year or so ago. He spoke of "sharp violent, clashes" between the Establishment and "progressive" elements from the workers. This violent industrial warfare will provide a climate for revolution, out of which the Communists, masters of the situation, will be hopeful of emerging triumphant. We don't believe that these revolutionary conditions are more than a handful of years away.

Mr. Hawke, consciously or unconsciously, put his finger on the real danger when he stated that he could imagine the end of capitalist democracy in Australia within the next ten years. He sees the danger of a take-over by the extreme Left or extreme Right. The fall of the Whitlam Government he sees as the "first step in the demise of democracy in Australia".

We can't agree with that one. We would see it as the first step in the regeneration of a genuine parliamentary democracy; by forcing the Socialists away from the power-machine.

COMMUNISM AND INFLATION: We are asked from time to time if Communist countries have the

problem of inflation, which is now ravaging Western democracies. Many people want to know if, as they believe, Communist countries don't have the problem to the extent known in the West: then what the reason for this is. Communist countries make public practically nothing concerning their economies. These are State secrets. Communist countries do have a small rate of inflation; but nothing like the alarming figures now experienced in the West. Theirs would probably be one to two per cent. The reason, in a nutshell, is that the financial systems of Communist and Capitalist countries operate differently.

Actually, in certain respects the financial system, as operated in Communist countries, is more realistic than our own: in that it is an accounting, or book-keeping system. In this respect, it is more realistic than the operation of the financial system in Capitalist countries; but it is more rigidly controlled by the Central Government than is our own system against individuals interests; with the result that the individual in a Communist country has much less financial sovereignty than the individual in a Capitalist country, even though the Capitalist financial system is less realistic. This may not be all that easy to follow. Perhaps we can make things a little clearer; we are indebted to "New Guardian" of New Zealand. There are two banks in Russia; the State Bank, and the StroiBank. The former (State Bank) is the sole source of money in the form of notes and cash; for the payment of salaries and wages; and the purchase of goods and services etc.: and for the holding of savings on which a low rate of interest is granted. This Bank, through its many branches, organises the flow of money needed by industry, development works and market needs, channelled in accordance with the master plan evolved by the authorities in regard to public requirements.

All this concerns the small change of society. Large-scale works and enterprises are carefully planned in terms of physical realities, and corresponding financial values are attached. It is the task of the StroiBank to determine what advances, measured in roubles, are required, and at what times and places, to ensure fulfilment of those plans until completion. The cardinal point to note is that all credit is supplied by the bank, at no cost to the State.

For new State capital projects, the capital is not repayable. Credit to industry is repaid with 2% interest generally; but industry is credited with the correct value of new production; hence there is no difficulty in paying interest, because there is normally a surplus on account.

It is impossible for any person legally to convert credit advances from the StroiBank into cash, or to capital investment, in order to trade for profit, although individuals may make personal savings through the State Bank branches. All banking is under State control, and rigid rules for both flows of currency are enforced.

For whatever policy is considered desirable and practical in the general interest; credit is made available, for it is costless. It nevertheless represents real wealth of some kind, hence it is regarded just as seriously as real money. The Russians claim that by these means the maximum use is made of resources. The whole emphasis is on development of productive resources in order to create new wealth for use - not for making money by the skilful manipulation of money.

The system is self-liquidating because the supply of credit is augmented in keeping with increased production. Purchasing power is also regulated to match production of consumable goods. The backing

for note issues is mainly on national credit, which in turn rests on the real national wealth. The volume of money is adjusted to ensure a constant value of the rouble, we are told, so that inflation cannot occur; nor can a national debt be created. Economic expansion is planned and booms and slumps do not interrupt ordered progress.

Banks play a more intimate and dominant part in the Russian system than in our own, not for profit, but as controllers of every phase of industrial and commercial life. Banks specialise in all aspects of planning; whether it is to the design and construction of capital plant, or operation of existing industrial plant.

Banks work as a machine for the State, and not as independent companies having interests diverse from those of the public. Credit is created and credited to a firm (State enterprise) in relation to its output to offset advances received. Hence, although all loans to industry must be repaid with interest, generally at 2% such repayment is made possible by the valuation of output in credit terms. Under Capitalism, as operated from its inception, till the present time; interest is payable only in money, which is a physical impossibility, because our banks possess the monopoly of issue, and demand more in return than they supply. The inevitable result is ever increasing inflation, debt, frustration, bankruptcy, and taxation. Despite the more realistic aspects of the Communist finance-economic system, Russian industry and technology is far less efficient than the West's; not because of the financial system itself, but because of the impact of the Communist political system on the individual; specifically, the stifling of almost all initiative by complete centralisation of policy. The same would happen to any other European nation under Communism; and does happen. This point is emphasised by Dr. Antony Sutton in his monumental work - "National Suicide" (Military Aid to the Soviet Union), which will be available as a paper-back early in the New Year: perhaps before. We do have just a handful of the hardcover copies "National Suicide" available: they are priced at \$9.50 post free. A supporter would have to order, immediately, on reading these lines to obtain one of them, otherwise it would be pointless writing. Order by phone, if possible, for preference.

BRIEF COMMENTS: Bishop Arthur Fox, Catholic Bishop of Sale (Vic.) says that the Government should check Communism in the trade unions... He told an assembly of St. Patrick's Old Boys at a Dinner that the unions seemed to be allowed to do what they like. Bishop Fox attacked humanism, which he linked with revolution and subversion.

An article in The Australian (August 26th) claims that the vast U.S. investment in Europe is in serious danger. The claim is that if just one major British bank or business goes broke, the topheavy pyramid of the huge Eurodollar system will come crashing down. It is believed that if Britain suffers a depression (quite on the cards) the billions of dollars which Americans will lose will be translated into vast claims for tax refunds from the U.S. Treasury, thus imposing an unbearable strain on the severely-stretched Treasury. This is in line with the domino structure of world finance. One of the worlds leading macro-economists, Dr. Otmar Emminger, Deputy-Governor of the West German Central Bank, warned in July 1973 that if world inflation was not beaten within two years from that date, then the International Monetary System of the West would collapse: meaning world depression worse than 1929!

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