



# ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

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*The price of Freedom is eternal vigilance—*

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Thought for the Week: "On the whole, the world is following the path (I have been) afraid it would, and in a way the thing has become more serious just now because we are being driven into a planned society by inflation." F. Von Hayek, well-known author of The Road to Serfdom.

INFLATION FALLACIES: "The Federal Government yesterday announced new initiatives to prevent a wages explosion as figures showed the first decline in Australia's annual inflation rate for 2½ years."  
- The Australian, July 19th.

We can recall, that back in the early fifties, the inflation rate dropped marginally, as a result of stringent monetary measures which were urged on the Menzies Government of the day by the Treasury. We can still see, in our minds eye, photographs of an exultant Mr. Robert Menzies, the then Prime Minister, who naturally took all the credit for the great success in the battle with inflation. The rate then was much less than the present 17%. We wonder what Sir Robert Menzies thinks of the present inflation rate; and what he will think of the inflation rate which will commence to jump in a few months from now, as the inflationary "spin-off" from Dr. Jim Cairns's deficit Budget sinks into the Australian economy. A rate of 25%, or even higher, would not surprise us. The present gaggle of politicians, and the roosters of the political commentary "industry", are honking and crowing just as their predecessors did a quarter of a century ago. We remember it so well. The fractional reduction in the inflation rate last quarter means next to nothing. The inflation figures, again, do not tell the whole story; they do not, and cannot, reflect the deterioration in the quality both of goods and services. Supporters are all too well aware of the increasing shoddiness of new goods (cars, clothes, etc.) and the worsening of services (transport, post etc.)

The Opposition seems to be saying very little on the matter. What can they add? The Whitlam Government is doing all that the Shadow Treasurer recommends. Taxation will be up, Government spending is being cut, the plethoric Public Service is being pruned. What else would the Opposition do under the financial conventions? It is probable that the Opposition will be the Government within a year or two, and it then will have the task of battling a higher inflation rate than is the Whitlam Government now.

We have asserted time and time again that the price subsidy, financed outside the wage structure, is the only way that inflation can be brought under control: this, along with reduction of taxation. All taxation is inflationary.

These key points are put forward in the Petersen Plan: the proposals put forward by the Premier of Queensland, Mr. J. Bjelke-Petersen, at the Premier's Conference in Canberra in 1974. Supporters who are not familiar with the Petersen Plan are advised that the League Division - the Institute of Economic Democracy - has brought out a special issue of its quarterly journal - "Enterprise", which covers fully the Petersen Plan. We shall be pleased to send some copies of this issue, entitled - Questions and Answers On the Petersen Plan" - to interested supporters. Send a small donation to cover costs, postage etc

INDEXATION: "...Federal Cabinet decided to push for across-the-board indexation which would mean a 3.5% rise for five million Australian workers. - The Sun, (Melbourne) July 19th

It must be emphasised that Indexation is not a cure for inflation; it is at best a palliative: and a short term palliative at that. It just means gearing wages to the inflation rate. Incidentally, if we take a flight into fancy and imagine that the inflation rate will drop substantially next quarter, do you suppose that Mr. Hawke, Mr. Halfpenny, Mr. Carmichael, and the other Trade Union chieftains would agree to a reduction in wages? No sir. Indexation then, is a tacit admission that the inflation rate will continue to escalate:

On the present inflation rate of 17%, the average wage would, because of indexation, have to increase somewhere around \$20.00 weekly in the next twelve months. This, of course, makes inflation automatic, leaving out other vital factors. This will mean another \$100 million ('one hundred') of new money which must be pumped into the economy. Much of this will come from bank overdrafts, carrying 8%-9% (or even more in some circumstances) interest. The plethoric Public Service will be paid partly out of huge Government taxation (again, partly from the tax "scoop" from higher wages) and loans, from home and/or abroad. (Mr. Connor please note!)

We don't subscribe to the "historical inevitability" of Communism, but we do subscribe to the "arithmetical inevitability" of inflation. Under the existing finance-economic conventions there is only one way inflation can go, and that is UP.

#### SPECIAL REPORT ON WORLD ANTI-COMMUNIST LEAGUE CONFERENCE

The dominating note at the 1975 World Anti-Communist League (W.A.C.L.) Conference, at Rio de Janeiro, Brazil, was the necessity for anti-Communists to take a much more positive stand in the face of the accelerating advance by International Communism.

This note is struck and developed by full reporting in the June issue of the League's monthly journal of political fact and opinion, the "Intelligence Survey" (annual subscription \$5.00). Supporters unfamiliar with the import of the Brazil Conference are urged to obtain a few copies for themselves and their contacts. Send a small donation to cover costs, postage, etc. Order from G.P.O. Box 1052J, Melbourne. Vic. 3001.

SPIGELMAN'S COMMANDOS: "The Federal Government has set up a nine-member task force to draw up urgent guidelines for the expansion of community broadcasting in Australia."

- The Age (Melbourne) July 18th.

Now we have the Department of the Media without a policy for its community broadcasting. There was

a play once written about seven characters in search of an author; and we are reminded of this.

The Permanent Head of the Department of the Media is Mr. Jim Spigelman, formerly of the Prime Minister's Department ("I am the only Permanent Head to select my Minister"); and the Minister (nominally) in charge of the Department of the Media is Dr. Moss Cass, formerly Minister of the Environment and Conservation. We suppose that the "task force" will establish a beach-head in the face of withering fire from the enemy (probably apathy and conservatism) and then brave all the heavy artillery and mortar fire from the resolute foe to scale those dangerous cliffs to achieve a gallant victory: and capture at last, A POLICY! Dr. Coombs headed a "task force" not so long ago, no doubt to rout inflation. Well, it's still 17%, and on the verge of taking off into higher orbit. So much for Mr. Whitlam's "task forces".

Dr. Cass wants half a million dollars for "research and support" for public broadcasting. A brand new bureaucracy, is about to emerge, like a butterfly from its chrysalis. We leave it to the imagination of supporters to anticipate the type of material which will be hurled at a suffering public via this new "community broadcasting".

ASSEMBLY-LINE LEGISLATION: "The Attorney-General, Mr. Wilcox, (Vic.) yesterday criticised 'the tremendous increase in government'". - The Sun, (Melbourne) July 19th.

Mr. Wilcox made the apt point that there was no guarantee that churning out legislation made the community a better place in which to live. Indeed, the reverse is the case. We are over-governed: the freedoms of the individual are being gradually whittled away by power-hungry politicians, crazed with a centralist ideology. Governments can only gain power at the expense of the individual: the stronger the government - the weaker the individual, and vice versa. In a Communist country the State is all-powerful; the individual can be plucked off the street and shunted into a concentration camp, or liquidated; at any time at all. Read Solzhenitsyn.

Mr. D. J. Killen put the matter well in his weekly column in "The Australian" (July 18th). He said: "If there is one weakness in modern parliamentary life that stands out above all others it is the belief held by governments, political parties, ministers and parliamentarians alike, that the more laws that are passed, the happier will be the country. It is a false belief. It is a mischievous belief. It is an absolutely dangerous belief." We could not agree more.

#### THE TRAITORS OF WESTERN CIVILISATION

Mr. Eric D. Butler's major 1975 address, delivered to hundreds of audiences throughout the English-speaking world including Rhodesia and South Africa, is explosive. It has now been taped. Excellent for private house meetings, followed by discussion and literature sales. The tape cassette is \$4.00 post free from The Tape Librarian, P.O. Box 331, Dalby, Qld., 4405.

BRIEF COMMENTS: Prince Philip accused the British people recently of "scourging themselves with self-imposed inflation". He said there are "salvoes of statistics, and economists sniping at one another." We can't agree that the British people are imposing inflation on themselves at all; they may have been, through their many major strikes, maintaining their high momentum of inflation, which otherwise may

have been reduced a little. Inflation is automatically "spun-off" by the working of the finance-economic system itself, and the more "sophisticated", or technologically-advanced, if you like, the industrial system, the more rapid will be the progress of that economy towards "stagflation": escalating inflation along with industrial and commercial stagnation (unemployment etc.). A quick way to "solve" the unemployment problem is to destroy modern technology: throw out of action that machine that does the work of two hundred men. Actually, the Soviet Government was responsible, in the very early post Revolution years, for destroying quite a deal of machinery which was modern at that particular time. This had the desired effect of gearing up as many people as possible to the wage and salary, and preventing any idleness which could engender counter-revolutionary thoughts.

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According to Kubla Khan Kissinger, poor Alexander Solzhenitsyn is now a threat to peace. The trouble is that Solzhenitsyn knows that "detente" is phoney and that it is pursued by the Communists only to mesmerise the dopey West. (Yes, we are dopey;) Let us recall the words of Dimitri Manuilsky, Communist theoretician, at the Lenin School of Political Warfare in Moscow in 1930:- "War to the hilt between Communism and Capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 to 30 years. To win, we shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard of concessions. The Capitalist countries, stupid and decadent, will rejoice to co-operate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we will smash them with our clenched fist."

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Does Dr. Jim Cairns know what he is doing when he advocates the deficit Budget? We think he knows exactly what he is doing. According to The Age, (Melbourne) July 18th, Dr. Cairns said:- "The deficit is a motive force for recovery. It is the most positive or dynamic stimulus available to the nation to get things going again." It could be that Dr. Cairns is just unable to struggle free of the Keynesian bog in which he has been trapped since his days of lecturing at Melbourne University. More likely, we feel, the crafty Marxist knows full well that deficit budgets are highly inflationary, as he knows full well that continuing and escalating inflation places impossible strains on a free society, and drives it towards centralisation. This is why the communists say that Communism is "historically inevitable". It would be inevitable if the finance-economic system were beyond the control of man. But the finance-economic system is man-made; ~~there is~~ nothing in the way of a "Natural Law" about it whatsoever. It should be made to conform to Natural Law, and it can be; but that is another story. The Communists are wrong: Communism is not historically inevitable, because the forces that are driving the West towards centralisation of government can be removed, as there is nothing "natural" about them. And until these forces are removed, forces spawned by the operation of the financial system, the West will be driven further towards political and economic centralisation. Small wonder that Lenin referred to inflation as the Communists' "secret weapon". He was right: it is!

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A report in the Brisbane Courier-Mail (July 3rd) has it that only 27 out of 68 doctors passed a British test to screen out foreign physicians with inadequate qualifications, or poor grasp on English. Many of these doctors would be Asians; some no doubt from Common Market Countries. Thus do the problems generated by centralisation multiply.

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