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The price of Freedom is eternal vigilance—

Vol. 12 No. 2

January 30th, 1976

Thought for the Week: "The evil men are in the minority. They just know what they want, and they set out to get it, while the good talk or shrug their shoulders or tell themselves they're helpless. They never are; they're just weak." - Taylor Caldwell, famous American novelist.

"FIGHTING INFLATION WITH CONFIDENCE": "The Government's extraordinary monetary measures look like being right for these extraordinary times. As a balancing artist, the Treasurer, Mr. Lynch, performed well on Thursday...He makes it seem easy; he almost makes it seem fun, especially after the ham-fisted and often desperate economic measures this country has seen in the 1971-75 period".
- The Age, Melbourne, editorial, January 24th, entitled "Fighting Inflation With Confidence"

Federal Treasurer Lynch may be as confident as he looks in press photos holding a receipt for a \$20 Savings Bond, but we predict - not merely with confidence, but with complete certainty - that his monetary measures will be no more successful in halting the revolutionary ferment in Australia than were those of his predecessors. It is significant that former Labor Treasurer Hayden has praised Mr. Lynch's policy by stating that it approximates what he had in mind. That policy clearly meets with the approval of the Treasury "experts".

No realistic comment on the Lynch policy is, of course, possible, without an understanding of at least the fundamentals of how the present finance-economic system works. Monetary inflation is a mathematical certainty under financial rules which result in all economic activities being saddled with increasing financial costs which must be recovered in still higher prices. It does not matter whether the activities are operated by the Government, Government instrumentalities such as T.A.A., or by private enterprise. Unless all financial costs are recovered, there is bankruptcy. Governments can avoid **bankruptcy** by some form of subsidy.

Apart from the fractional reduction in the interest rate, which is part of the policy of encouraging investors to move savings from the banks and building societies, as yet the Fraser Government has not taken one **single** cent of cost out of prices. All the financial costs imposed by the Whitlam Government are being retained. Some of these costs have yet to be reflected in higher prices. These must inevitably trigger demands for higher wages. Government resistance to these demands must produce confrontation between the Government and the Unions. The Communists are preparing steadily for this situation.

Not surprisingly, the Trading Banks and Building Societies are not over-enthusiastic about the Lynch "strategy". The difference in interest rates makes it certain that there will be a slump in Savings

Bank deposits, thus curbing the capacity of the banks to lend. At the same time Mr. Lynch has further reduced the "liquidity" of the Banks, this also making it more difficult for the banks to create and lend new credits. One financial writer has referred to "Lynch's monetary time-bomb". In essence the Lynch "strategy" is attempting in a much more sophisticated manner what Labor attempted with its crude and disastrous 1974 credit squeeze. On one hand Mr. Lynch is attempting to take "excess Liquidity" out of the system while at the same time is attempting to encourage businessmen to borrow for further capital expansion, this creating "full employment" and "re-stimulating" demand. But this means that those businessmen willing to take advantage of the slightly lower interest rate, must increase their debt burden, and potential labor problems, in the hope that they will be able to sell at a profitable price their increased production. And eventually they will find that the Canberra "experts" have decreed that interest rates must be increased again.

If the League of Rights has done nothing else in its service to the Australian people, it has shown many how, with the knowledge they have obtained about the realities of finance-economics, to avoid some of the worst pitfalls of Keynesian-type financial policies. The best advice we can give at this present time is for Australians to face the fact that the Lynch "anti-inflation strategy" offers no genuine relief to Australia's basic problems. All possible precautionary action should be taken.

(For those of our readers who lack an understanding of how the finance-economic system works, and who wish to take the most effective steps possible to protect themselves, we recommend a study of the following League publications: "The Creation and Control of Money"; "Money - Fact and Fiction"; "Natural cost and the Ownership of Money"; "The Money Trick"; and "A Programme for Reversing Inflation". A package deal: \$2.40 posted).

THE WEST'S "DEATH SLEEP" OVER ANGOLA: South African Defence Minister Pieter Botha has told the South African Parliament that South African troops would continue to remain in the "Angolan border area" until the Government was satisfied that the frontier with South-West Africa was safe. But statements by Mr. Botha reveal how disturbed the South Africans are by the failure of the West to give them any support in their endeavour to prevent Angola being turned into a major Soviet base. The Soviet-backed Popular Movement (MPLA) has continued to carry all before it in Angola. This is not surprising considering the introduction of highly sophisticated Russian military equipment, including tanks, operated by an estimated 8-10 thousand Cubans. Cuban forces are now also deployed in at least seven other African countries, including the People's Republic of Congo (Brazzaville), a major staging area and rear echelon base for the Cubans fighting in Angola.

Mr. Botha has urged the West to awake from their "death sleep" concerning Angola. But while he was making this appeal Dr. Kissinger was having more talks with the Soviet leaders on strategic arms. It is reported that he expressed concern about developments in Angola. But the Soviet leaders know they do not need to worry too much. The Vietnam betrayal left the American people in a state which expresses itself in strong opposition to any American involvement in Angola. The South Africans have been so smeared by years of Communist-backed vilifying propaganda that many Americans can see no reason why they be concerned about the fate of South Africa. The long-term Communist strategy is now paying big dividends. Responsible Australians should at present be doing all in their power to awake their fellow Australians to the realities of Rhodesia and South Africa. The old theme that "it can't happen here" is another manifestation of the "death sleep".

MR. GOUGH WHITLAM'S STRANGE VIEWS ON DEMOCRACY: "Sydney - Australia no longer was a democracy, Mr. Whitlam said today. In his first major speech since Labor was crushed in the December 13 election, Mr. Whitlam said: 'Other nations have lost all respect for the Australian political system'. The former Prime Minister was addressing the sixth annual conference of the Young Labor Association at Sydney University". - The Herald, Melbourne January 24th.

Genuine democracy has to do with the will of the electors. Mr. Whitlam's major theme during the last Federal election was that democracy was in grave danger. He did not explain how this danger could exist when the Governor-General had insisted that the electors have a direct say concerning their political representatives. Mr. Whitlam told his Young Labor audience that other nations were "aghast at the way in which the election was brought about. They lost all respect for our system when they saw a colonial Governor-General aided by a Liberal chief justice carry out a coup d'etat". As Mr. Whitlam has some claims to being an erudite man, he must know that he was using double-speak when mentioning an alleged coup d'etat. A coup d'etat means the seizure of State power. There was no seizure of power on November 11th, but an insistence by the proper constitutional authority that power be exercised by the electors. So far from other nations being "aghast", many people in other nations who heard about what had happened at Canberra, when the constitutional "umpire" instructed Mr. Whitlam to face his electoral masters, expressed the wish that they had a system which gave them more say about their elected representatives.

BASIC FUND LAGGING

After a magnificent start to the League's 1975-76 Basic Fund of \$40,000, there has been a lag over the holiday period. But the battle for Australia's future still goes on. Since our last report, before Christmas, 66 supporters have contributed \$2,835, taking the total to \$28,940. Although some special donations were received for the League's election brochures, some of the cost of these will have to be borne out of general funds. This means something in excess of \$40,000 if the League's expanding programme is to be carried forward. Every dollar helps. Queensland and Northern N.S.W. readers should send donations to Mr. Jeremy Lee, Kingstown, via Armidale, N.S.W. All other donations to P.O. Box 1052J, Melbourne. 3001

BRIEF COMMENTS: The Muldoon Government in New Zealand is taking further "tough" measures to curb inflation. Mr. Muldoon has pegged wages increases at 3.2 per cent for this year and introduced new import restrictions. The import restrictions will hit some Australian exporters. Mr. Muldoon hopes to reduce the current inflation rate of 15.7 per cent down to just under 10 per cent next year. The Muldoon Government may temporarily reduce inflation, but only by forcing down the general standard of living in New Zealand. The coming political explosion in New Zealand is predictable.

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The State Premiers are beginning to learn what the Fraser Government's "new Federalism" really means. Prime Minister Fraser bluntly says that there are no extra funds for the States. He argues that some of the States are doing better than the Federal Government. But at present the States are at the mercy

of the financial policies imposed by Canberra. Continuing inflation will require the States to increase taxes, or retrench. Their only other alternative is to challenge Canberra's monopoly of financial power. The States may be forced to look carefully at their State banking powers.

The Fraser Government's attitude on the National Anthem question has disappointed large numbers of people who expected something better than a pale reflection of the Whitlam policy. A serious question has been made slightly hilarious by Mr. Fraser's policy of permitting a choice between four Anthems.

All informed people know that following the First World War an impartial panel of investigators examined war-time propaganda and concluded that over 90 per cent of it was completely untrue. Truth is one of the first casualties in wartime. But no such investigation has been permitted concerning the Second World War, although an increasing number now knows that stories about the six million Jews allegedly gassed are just as untrue as the propaganda stories of the First World War. A work by an English scholar, "Did Six Million Really Die?", has caused the wrath of the Political Zionists. A British Labor MP wants to have the work banned under the Race Relations Act. Zionist leaders use the myth about the six million in an attempt to keep the rank and file of Jews in a state of constant fear. The subject is dealt with in Mr. Eric Butler's "Censored History", which has been given the silent treatment even though it has sold in thousands over the last eighteen months.

With the greatest respect to the Governor-General, Sir John Kerr, he made a mistake in attempting to justify what he did so courageously on November 11. In his Australia Day address, taped before he left **Australia**, he attempted to suggest that if any blame was to be attached to the removal of the Whitlam Government, it was the Constitution which was the problem. Sir John's Australia Day address tended to reduce his status. His attempted explanation has not appeased the vulgarians in the Labor Party, who are talking of snubbing Sir John when Parliament re-opens.

Another display of Labor Party vulgarity was provided by Victorian Labor Leader Holding and associates when they declined to be present at the Australia Day luncheon in Melbourne because Mr. B.A. Santamaria of the National Civic Council had been invited to respond to the toast to Australia. We do not agree with all Mr. Santamaria has to say, but he is a loyal Australian with much of great value to offer on public issues. The Labor Party boycott was quite childish.

A Japanese business mission is at present in Moscow hoping to win a Russian order for 10 nuclear electric power-generating plants worth at least \$1,064 million (Australian). If Japanese companies obtain the order, the U.S.A. will be participating indirectly because Japanese technology for generating electricity is based on technical agreements with American companies. Here is yet one more example of how the non-Communist nations provide the Soviet Union with essential economic blood transfusions, as exposed by Antony Sutton in his great work, "National Suicide". We are pleased to record constant reports of how "National Suicide" continues to shatter the pre-conceived ideas of many prominent citizens. Adequate supplies still available from League addresses.

"On Target" is published by The Australian League of Rights, G.P.O. Box 1052J, MELBOURNE. 3001
Subscription rate: \$5.00 per annum. \$9.00 for two years. W. & J. Barr (Printers) Pty. Ltd.,
