



ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week: "To do communist work you do not have to be a registered member of the party. You do not have to say one word about communism. You do not have to believe in the collective ownership of the means of production, or dialectical materialism, or the pauperisation theory, or the surplus value theory, or the withering of the State, or the rest. All you have to do is to contribute to the destruction of free society. The very emptiness you create by tearing down everything and calling everything in question, casting doubts on every value, is enough to create ground receptive to communism, which has a ready answer to every problem. The communists themselves do not believe in their theoretical nonsense, except strictly insofar as it is politically effective. And the political effectiveness of communist theory is precisely measured to the extent to which we have adopted their inanities as beliefs, which will erode us from the inside."

- Dr. S.M. Draskovich in "Will America Surrender".

SELECTIVE REPORTING ON CUBAN TROOPS: The iron hand briefly came out of the velvet glove during the Angolan war, with the Soviet importation of Cuban troops to ensure the victory of the Communist-backed M.P.L.A. headed by Augustine Neto. On May 27th, 1976, "The Australian" came out with headlines which said: "Cuban Withdrawal Victory for U.S. Policy in Africa". The article, not suprisingly, was a glowing tribute to Dr. Henry Kissinger, whose statements and policies so consistently aid the Kremlin. The article said: "Cuban Prime Minister, Dr. Castro's announcement that he is withdrawing his troops from Angola is a victory for American pressure and the new U.S. African policy, according to the U.S. Secretary of State Dr. Kissinger...."

Far fewer Australians would have noticed a much smaller article tucked away on the back page of the "Financial Review" (12/7/76) which said: "A British television reporter said on Saturday that between 20,000 and 25,000 Cuban troops who fought in the Angolan civil war are still in Angola - nearly double the figure estimated by the United States - and that their families are joining them there. The reporter quoted "a very well-placed official in Angola" as saying that the Cuban soldiers were entrenching themselves in positions of strategic importance in ports, prisons and airports." Some withdrawal, Dr. Kissinger!

THE TREASURY REJECTS KEYNESIAN ECONOMICS: It is only a handful of years ago that the orthodox economists; yes, even in the Treasury, held that Keynesian economics were the answer to the modern world's finance-economic problems. Many probably still do; as 99.9% of men and women, human beings, parrot for the rest of their lives that which is pumped into them at the "higher" centres of learning, Particularly is this the case with respect to the pseudo "sciences": viz. political "science", economic "science", social "science", etc. Of course these are not sciences at all in the present context, for the principal reason that such areas of human activity operate in, and are influenced by false, erroneous, and deliberately pursued doctrines by those in ultimate control of the power-bases from which such doctrines flow. Yes, International Finance, control, direct and indirect of the mass media by Finance ("control of the news and control of Finance are concentric"), erroneous interpretation by Academia of the current course of events, the wide swing to the Left which is in the main, brought about as a result of social and political friction all due to a general deficiency of purchasing power in the hands of the individual. However, Mr. Lynch, the Treasury's "boy", says in Treasury Press Release No. 52, March 1976.... "What used to be thought of as conventional "pump-priming" (i.e. Keynesian) efforts to reduce unemployment have proved ineffective and even counter-productive, essentially because they do now slow inflation."

This is correct. What happens in the main is a build up of Government debt which is recouped through higher direct and indirect taxation; while this is still possible, it can't go on indefinitely.

"In today's world orthodox "Keynesianism" is no longer appropriate; on the contrary, it is hopelessly outdated."

This was boldly stated by a visiting English professor of Economics of the London School of Economics in a lecture at Monash University (Professor Walters) some few years ago. Professor Walter's words were studiously ignored by Academia and the mass media at the time. The short explanation of the Treasury's rejection of Keynesianism is that it doesn't work! It was made to work for a quarter of a century whilst inflation rates were "acceptable" (remember how we were told in the 40's and 50's that "inflation is the price we pay for full employment, but as inflation, automatically "spun off" by the working of the finance-economic system began to climb higher and higher, as it must, then larger and larger government deficits were essential to keep the system going, with government activities groaning under the soaring cost structure, and private industry and commerce beginning to collapse for the same reason. The spate of bankruptcies which is now evident will grow larger and larger. The larger organizations with access to financial credit and better resources will gobble up the smaller ones as they fall down, and the "centralising" process in the

private sector will go on until such time as political circumstances dictate that the remaining "big" industries be nationalised. Lenin said that at least 50% of Industry should be socialised before a successful revolution could take place.

BRIEF COMMENTS: Generally overlooked in the fast-moving world drama has been the reprieve of Portugal, at least for the time being, from the threatened Communist-inspired chaos and take-over. A major turning point came during the dark days of 1975, at a time when the defeatist-traitor Henry-Kissinger was preaching that Portugal was lost to the Communists. Soviet agents were fostering the theme that "As Lisbon goes so goes all Portugal." But in Northern Portugal it was the deeply religious women who put some backbone into the men to fight back with pitchforks and stones, their battle-cry being "Who controls the food of Portugal, controls the country." More than 100 of Castro's best agents were beaten up by the Portuguese farmers and their womenfolk. The conservatives, at one stage virtually working underground, started to campaign with more confidence. The elections in April demonstrated the poor electoral support of the Communists. Portugal is faced with major problems, but at least the women of that country showed what can be achieved with faith and effort.

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Delegates to the Victorian Liberal Party Conference last week applauded Federal Treasurer Lynch when he claimed that one of the basic essentials for "economic recovery" was a reduction in real wages. This "recovery" would lead to the unemployed being re-employed in industry. It is as certain as the sunrise that the policies being imposed by Mr. Lynch and his Treasury "experts" must, if persevered with, result in growing unemployment. If Mr. Lynch and his colleagues are convinced that a wage "freeze" is the answer to inflation, then why do they not set an example by announcing that the projected 10% increase in Members' salaries and allowances must be put aside? It would be interesting to hear Government Members' answer to this suggestion!

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San Francisco has the largest aggregation of homosexuals in the United States, where they play a major role in public affairs. One "gay"-sponsored annual event is the "Great Tricycle Race". This year there was one interesting contestant, Mr. Jimmy Carter's son, Chip, who was loudly broadcasting his father's support for Congresswomen Bella Abzug's "gay rights" bill and proclaiming his father's "sensitivity" to homosexual issues in general.

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According to the Soviet Union's own assessment of its foreign policy advances during 1975, "the consolidation of Soviet diplomatic, economic and military ties with Cuba", was listed as the third most important foreign policy development. Only the Soviet's long-sought-after achievement of the Helsinki Conference on Security and Co-operation in Europe, where the Western nations officially recognised the Kremlin's take-over of Eastern Europe, and the Communist take-over in Vietnam, were listed higher.

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If Prime Minister Fraser and his Deputy, Mr. Doug Anthony, took the trouble to examine what has been appearing in authoritative Soviet publications, they would learn how delighted the Soviet leaders are with improved trade relations with the West. Massive credits and exports have been provided by the West. Nearly 200 "industrial co-operation agreements" have been signed with American firms alone. 200 other additional arrangements are currently under negotiation. The Soviet spokesmen categorically assert that increasing trade has nothing to do with friendship or agreements not to use military force. Soviet articles stress that increased imports from the West are being used to build up Socialism in the Soviet Union and the Eastern European bloc, and that the West had no alternative but to send increasing exports to the Communist nations. The Communists are delighted when the Doug Anthony's of the West arrive pleading with them to take the West's "surplus" production.

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Back to Philip Lynch. There is another angle germane to his call for wage and salary restraint; and that is, first of all, wage and salary costs are a minor cost in the modern production process. The principal costs are attributable to plant charges and overheads, and basic raw materials. In fact, wage and salary costs are a decreasing factor in total costs. Which brings us to the second point, and that is automation.

The automated machinery of industry is now doing fairly well. The capital outlay for a company is heavy, but this automated machinery gives good protection against continually increasing wage and salary costs. Yes, the bigger industrial concerns are able to automate, because of better resources and access to bank credit. The small concern finds this much more difficult, and is squeezed out of existence, or is gobbled up by a larger concern, whilst the smaller concern's workers are thrown on to the labour market.

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