



# ON TARGET

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

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Thought for the Week: "...when in 1222 the jurist, Hubert de Burgh, tried to enlarge the revenue, he was sternly rebuked by Archbishop Langton for restoring 'evil customs'. In its embarrassment the Government had to resort to every shift....." - Sir Arthur Bryant in "The Story of England".

DEFENCE AND TAXATION: As pointed out by a number of military experts Australia's defence capacity at present is pitifully inadequate. The Soviet Union's many agents in this country are well aware of that fact. During a period when the expansion of the Soviet's capacity for global aggression was being further expanded, the Fraser Government made its contribution towards the running down of the Australian defence system. The Minister for Defence, Mr. Jim Killen, endorsed the argument that the "fight" against inflation had to be the first priority, openly confessing that so far from being a genuine defence Minister, he was but a puppet of the Treasury and other financial "experts" who keep on insisting that their financial theories are more important than reality.

With mounting hostility to its oil levy policy, which can only be described as one of the biggest taxation rip-offs in Australian history, Federal Treasurer John Howard initially was suggesting that the Government might hand some of increased taxation back in the form of tax cuts. On January 22nd, Mr. Howard said, "The Government believes that the extra revenue from crude oil levy does enable it - with complete economic responsibility - to contemplate taxation reduction in other areas." Mr. Howard was advocating that well-known political trick of attempting to bribe electors during an election - with some of their own money.

However, hard on the heels of the Howard hint of electoral bribery came the news that not even this might be possible because the Soviet had invaded Afghanistan. Mr. Fraser said in a television interview that "I am very glad that the increased oil revenue had not

been committed in some area... because we do need to look at Australia's defences." Quite apart from the fact than an effective defence programme, measured in financial terms, requires far more than the extra revenue the Government is obtaining from its oil pricing policy, the inference is that increased taxation is essential to finance increased defence spending. If a community's productive capacity were being used to the maximum to provide the genuine requirements of the people, it would be elementary that an increased defence programme would require a reallocation of production and resources at the expense of the current standard of living of the people. But this is not the reality of the situation.

Every informed person knows that Australia's productive capacity is far greater than what is being used. The increase in unemployment in recent years, the result of the financial policies of Federal Governments - Labor and non-Labor - is but one reflection of the enormous unused production potential. The intense export drive results in a waste of productive capacity under the guise of obtaining "a favourable balance of trade." Prime Minister Fraser confirmed in the U.S.A. last week what we have been stressing: a genuine anti-Soviet policy is not proposed by the Fraser Government because, says Mr. Fraser, an economic boycott would be "counter-productive". The "experts" have stressed to Mr. Fraser that Australia's trade ratio with the Soviet Union is almost 40 to 1 and still increasing. Exports to the Soviet Union for the first five months of this financial year were \$278 million. Exports for the whole of the previous year, 1978-79, were \$264 million. The reality is that Australia is exporting 40 times more production per year to the Soviet than it is receiving. Those fortunate enough to have escaped the brainwashing of the economic witchdoctors will, of course, readily grasp that so far from being "favourable", Australia's trade relations with the Soviet are most unfavourable. And the incredible truth is that Prime Minister Fraser, the man who claims he is trying to help rally the West against the Soviet, confesses that apart from some rhetoric which makes good headlines, and a call to halt the Olympic Games, he dare not stop sending the Soviet the type of economic bloodtransfusions they require to sustain their global offensive. How the Kremlin bosses just laugh into their vodka as they contemplate the situation!

A genuine programme for reversing the Soviet's global expansion would halt all economic bloodtransfusions while at the same time implementing a realistic financial policy which, in a country like Australia, would also make it possible to expand defence without increased taxation and escalating inflation. New credits should be made available at the cost of administration. What is physically possible must be made financially possible.

INFLATION THE WRECKER: President Jimmy Carter last week indirectly admitted that he has no real answer to Communist subversion. He and his "advisers" have painted a bleak picture of continuing high inflation in the United States. Last year's inflation rate of 13.3 per cent, the highest for 33 years, could increase. American reports state that no American President in recent memory has painted such a grim picture on inflation. "Over the long term, we will either bring inflation down or it will assuredly get worse," said Mr. Carter. The President concedes that the rate of inflation even after discounting increases in food, fuel and housing prices, is now 8 to 9 per cent, up from 6 per cent two years ago. The President expresses the hope that workers will accept a temporary cut in their purchasing power rather than demand higher wages to offset price increases for oil. Mr. Fraser is proposing the same type of policy. Which must sound like pleasant music in the ears of all Marxists.

From the time of Lenin, inflation has been welcomed by all Marxists as a major destructive force which can be exploited to subvert the free society and its institutions. When Keynesian economic teaching formalised the fact that the orthodox finance-economic system can only be sustained by progressive inflation, the more informed Marxists were delighted. No stability was possible with such a policy. At a time when there is increased stress on trying to contain Communism by military defence alone, which if financed under prevailing financial conventions can only result in still higher taxation and higher inflation, some of the lessons of the Second World War might be heeded. Australia first had to have a massive expansion of new credits to bring its vast unused productive capacity into operation. The inevitable result was inflation. But this was offset by the use of consumer subsidies on all the basic items in the economy. The same type of subsidies were used with success in every English-speaking country. It was demonstrated that financial policies can be changed to serve economic realities. Unless there are changes, effective defence against long-term Communist warfare is impossible.

(Essential reading: "A Programme for Reversing Inflation", Eric D. Butler. 75 cents. "Freedom and Inflation, Dr. Bryan W. Monahan. 85 cents. "Natural Cost and The Ownership of Money", D.J. Malan 75 cents.)

BRIEF COMMENTS: As predicted by the distinguished American authority on the Middle East. Dr. Alfred Lilienthal, the exploitation of Russian Jews continues to be a major, but unpublicised factor in the international situation. The Afghanistan affair has produced a dilemma for Zionist leaders. If they call for an effective international boycott of the Soviet Union, their own financial activities

would be curbed and the flow of Jews from the Soviet would stop. "The Australian Jewish News" of February 1st reports Rabbi Kemelman of Sydney as attacking Jewish Welfare Organisations for diverting Russian Jews from Israel to Western countries. Rabbi Kemelman said there were 10,000 Russian Jews in Rome diverted from the Vienna transit camp, and that very few of them showed any interest in Jewish life or attended the synagogues in Rome. Many will undoubtedly carry the Communist virus into the Western world, while others are conscious agents.

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The Rhodesian tragedy moves towards a chaotic end. Lord Soames shook what little white morale still remains by reprieving brutal murderers whose crimes were non-political and those of savage thugs whose crimes had, in the main, been perpetrated against innocent women and children. In a country where the great majority of blacks have no concept of mercy, but do respect strength, the act by Soames has merely contributed towards the break down of law and order. Ordinary crime, apart from blatant political intimidation, is on the increase. Former Prime Minister Bishop Muzorewa is bitterly complaining that terrorist supporters of Nkomo and Mugabe are freely moving in and out of assembly camps to intimidate tribal Africans. The Bishop says, "I feel like I entered into a business with crooks as partners in this ceasefire business. The crooks are supported by crooks." Mr. Ian Smith has also sent shock waves through Rhodesia with his view that if the whites had to choose between Nkomo and Mugabe they should choose Nkomo. But in spite of the murder, thuggery and intimidation associated with the Rhodesian elections, no doubt the chairman of the Commonwealth observer group, Mr. Rejeshwar Daval will pronounce them free and fair. If Bishop Mozorewa carries out his threat to ignore the election result, the stage will be further set for open civil war, which is now highly probable.

THE BASIC FUND: The League is not engaged in some academic exercise, but in deadly conflict. Failure to provide the Basic Fund does not mean that the League goes out of business. But it does mean that a planned advance in depth is delayed. A major feature of the League's growing impact is the provision of vital books not available elsewhere. But this requires an investment of capital. Important book purchases are being held up because of the slowness of the Basic Fund appeal. Since our last report, 25 supporters have contributed \$1252 to take the total to \$26,253.

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