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The price of Freedom is eternal vigilance—

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Thought for the Week: "To be a Christian is something more than to profess a belief in Christian doctrines. It is consciously, as an individual, to stand in a unique and isolated relation to God. And Christianity means too that the one thing that matters in this world is what each individual becomes in the sight of God. In the Christian view, therefore, economics and politics are important solely in their facilitating the development of Christian individuals....."

- B.W. Monahan, in Why I Am A Social Crediter

ANOTHER RIPE APPLE: "Through its military occupation of Afghanistan the Soviet Union is now in a better position that it was before December to project its power into Iran".

The Age, (Melbourne) March 18th

Anyone but an official political "expert" can see what is going on now in the Near East, as the Soviet Bear clutches Afghanistan in a Communist hug, and sniffs at Iran and Pakistan. We have reported elsewhere that General Sir Walter Walker, one of Britain's military experts, clearly foresaw the precise Afghanistan situation almost twelve months ago when, at the request from highest quarters in Pakistan, he toured the area to assess the situation. Supporters may read all this for themselves in Sir Walter's "Wake Up Or Perish" (\$1.35 posted). He observes: "For Russia, securely established in Afghanistan, the strategic highway to the mouth of the Gulf (Persian Gulf) is Pakistan, just as in the past the road to India lay through the Punjab. From the Khyber Pass it is only about seven hundred miles across Pakistan to the Indian Ocean, where a strong Soviet fleet is on patrol ready to exploit the slightest opportunity. The Soviet Union is casting covetous eyes on the Pakistan ports of Karachi and Gwadar and the five hundred miles long strategically vital Baluchistan coast line".

Nikita Khurshev referred to Iran as a ripe apple that would drop

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into Soviet hands. He was no doubt reiterating the line of thought of Lenin years before, who said that America would drop in to the Soviet's hands - "like a rotten apple". Iran is basically quite a weak state. Its leadership is shaky; it has large ethnic minorities who have little loyalty to what Persian leadership there is; there are many left-wing political bodies, including the influential Tudeh Party (pro-Moscow). We can be sure that the Kremlin will be very busy there; just as it has been in the past. The ethnic minorities will be stirred up; for example the Kurds will be seduced with hints of their independence. Kremlin control will strengthen over the Tudeh Party, and there are still reports that the Kremlin has another pro-Kremlin Ayatollah they can pull out of the cupboard, dust off and set up in Teheran, to be supported by all the marshalled power of the Left. Any armed uprising against the Revolutionary Government would be sure to be assisted, surreptitiously or openly, by the Soviet Union, whose divisions of combat troops are poised near Iran's northern and Eastern frontiers. We can expect the Kremlin hard-liners to order the "destabilisation" of Pakistan by using the Baluchi minority in Baluchistan as a lever to prise that nation open. People in the British world particularly, are wont to still think of "India" as one unit. Actually, "India", was a creation of the British colonial era: there are over two hundred languages spoken in the Indian sub-continent; very many races and hosts of tribal groupings. The main split occurred after Britain granted independence to India in 1948, with the attempted separation of the Hindu and Moslem factions of "India" into India and Pakistan (East and West). The later war between India and Pakistan saw East Pakistan become Bangladesh (Bengalis). All this gives some idea of the inherent racial instabilities of this part of the world. Meanwhile the West is still continuing to provide financial and technological aid to the Soviet Union and her satellites, which is the Achilles Heel of the Communist Empire, in order that this Communist Empire can in turn exploit those inherent weaknesses in the non-Communist world, of which one - racial minorities - can be cast into sticks of gelignite to blow up shaky central governments.

INFLATION: DEFLATION: RELFATION: INFLATION: "The interest rate paid by top-ranked U.S. businesses for loans jumped half a percentage point to 18.25 percent at several major American banks today."

-Business Age (Melbourne) March 15th.

The above heading makes the inflation story look like a sort of a cycle: and that is the purpose - it is cyclic. That is, under accepted current finance-economic conventions.

We hear many economists, parroted by our hack politicians, waffle on about "inexorable economic laws". We deny that there are any economic "laws" at all - only finance-economic conventions. The West's finance-

economic systems are man-made. Money is an invention of the human mind; one of the human mind's most brilliant inventions; but money does not occur in Nature. The 18% inflation rate in the U.S.A. is attributable to the "reflation" of that economy in recent years by Washington. Hand-outs have been made to the American States to help them stay financially afloat: readers may recall that many American cities (New York, one) have been officially "broke"; although the trains are still running, the power is still on, and the shops are still open. In the make-believe world of finance-economics one can be well-fed and well-clothed, but horribly broke. Many head-scratchers must be beginning to gain just a glimmer of an understanding that perhaps there really isn't an unbreakable bond between figures in bank ledgers, hire-purchase houses and real physical wealth: i.e. goods and services.

In the latest "cycle" we have had our inflation, then deflation, and then Jimmy Carter's reflation, now with inflation back at 18%, it's deflation's turn again. Round and round we go! The American States will be cut back on the Washington hand-outs; just as the Australian States are when Mr. Howard, or whoever is Treasurer, decides that "stringent" methods are called for to "curb" inflation locally. Foreign aid is to be chopped (how much of that is wasted is anybody's guess), health services and a host of other areas of Government funding pruned back. Yes, it certainly means some degree of recession, and increased unemployment. We don't know whether to be amused or sad, as a result of President Carter's decision to fight inflation by increasing costs. An added surcharge on oil imports will push the price of petrol at the pump in the USA up ten cents a gallon. Note that the Americans still buy their petrol in gallons. The smart operators who have been "flying into gold" over the past year have now been caught as gold has fallen to \$500 an ounce from the recent peak of over \$800 an ounce. We can expect to see speculators flying into anything which they think will provide a refuge from inflation; diamonds, antiques, property, tribal artefacts - you name it.

The property boom in Sydney is largely the result of those people with some money to spare endeavouring to protect their savings against erosion by inflation. What's the use of your few thousand dollars being on fixed deposit of 8%-9% when inflation is roaring around at a humble 12% (in Australia). What if it were 18%, as in America? You'd be losing money fast by leaving it on fixed deposit in a bank, or tied up in a Board of Works Loan. We understand that the Melbourne property market is about to take off for the same reason: hopeful protection from inflation.

As the certain recession now grows in the U.S.A. so, of course, will the political problems. Jimmy Carter will not be enhancing his political image in this Presidential election year. In fact, we expect this latest bout of deflation to be "biting" at the end of the year when

Jimmy Carter faces the American voters. No doubt Teddy Kennedy will feel that maybe he should keep punching after all. With the ruthless ambition of the Kennedy's, and the luck of the Irish, he might just still have a show. Anything goes in showbiz, and politics.

AGAIN: THE TAXATION TRICKERY SHOW: "Supermarket shoppers who wonder what happened to little, local grocers should ask the Federal Treasury."

- John Gilmour, in his "It's My Business" column -

The Age (Melbourne) March 15th.

Mr. Gilmour informs us that Government taxation policies have done almost as much to promote the giants who now dominate the trade as have changing lifestyles, the motor car and T.V. advertising.

Mr. Gilmour is the first to admit that the large supermarket chains are very efficient marketing organisations, but they do have a great advantage; and that is that they can "plough back" as much of their profits as they like into the business. The Safeway (American owned) group has ploughed back every cent of profit, which has amounted to 25% of its total funds. This group does not have to pay its foreign parent anything: the reason being that the parent is a public company; albeit an American (foreign) company. A private company, like the little grocery store you used to go to years ago, is required by law to distribute large proportions of profits to shareholders after tax, when the tax man squeezes them again, for personal income taxes.

Many supporters will be aware that they can no longer claim medical and hospital fund contributions and premiums as deductible tax items, and this is hitting the Health Insurance Houses much harder than they care to admit. More and more Australians are deciding to "take the risk". Some, worse luck, will get well and truly caught.

The large businesses which are subsidiaries of public companies, of course, have another advantage apart from that of taxation. They are more credit-worthy in the eyes of the Trading Banks. The small, struggling business will be the first to be reined in, or knocked back, by the bank manager in a time of economic deflation, whereas the large, well-established business has it made. In this manner, Finance is inherently centralising: some cynics call it fattening the goose. The very big geese are in danger of socialisation when a militant, socialist government comes to power. The cynics say that the secret of business survival now is no longer "get big, or get out" - but "stay small to stay in" i.e. stay clear of debt, cut costs to the bone, scrap all labour possible, have ready cash available for special "buys" of materials, machinery etc. This way you can work as hard as you want to, when you want to, with no danger of take-over or socialisation.

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