



# ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

Registered for posting as a Publication —  
Category "B"

*The price of Freedom is eternal vigilance—*

Vol. 19 No. 24

July 4th, 1980

Thought for the Week: "I suppose that if the various reasons for the chaos in society were to be synthesised, they could be expressed as too much morality and too little common honesty. The word 'common' is here used in the sense of 'plain', rather than 'widely distributed'. It is a little difficult to expect common honesty from a population which is being just sufficiently educated to appreciate the fact that the primary object of politics, industry, trade, advertising and journalism, is to sell delusion; and to do the general population justice, it is beginning to better its instruction."

— C.H. Douglas in "Whose Service is Perfect Freedom".

THE DEEPENING FINANCE-ECONOMIC CRISIS: In spite of the fact that double-digit inflation has returned, with every prospect of the inflation rate increasing still further, Federal Treasurer John Howard doggedly continues to insist that the Fraser Government has "contained" inflation. It is true that there was a slowing of the inflation rate compared with the high level of inflation reached by the Whitlam Government. But it is dishonest to provide a set of figures, as Mr. Howard has to electors writing him, showing a slowing rate of inflation, without at the same time providing a parallel set of figures measuring the increased rate in business bankruptcies and unemployment. Ever since the League was first established in 1946, it has consistently demonstrated with facts and figures that progressive inflation was mathematically certain if present financial policies were persisted with. During this period a multitude of "experts" have rejected the social credit analysis of the major flaw in the finance-economic system, and the necessary type of policy to remove the flaw, as "too simplistic". But events have tragically confirmed the correctness of the League's warnings, while demonstrating that the "experts" have been consistently wrong. The plight of the world, which grows more critical every hour, reveals that the "experts" and their policies have proved to be false gods.

Attempts to "fight", "wrestle" or "squeeze" inflation under present financial policies are mathematically certain to produce disaster, as graphically demonstrated in the U.S.A. and Great Britain, both countries being driven into the worst depression since the Great Depression of the thirties. All attempts to overcome depression conditions and restore "full employment" are certain to produce an escalation of the inflation rate. The hopelessness of the situation under present finance-economic policies was demonstrated in two statements last week.

Addressing the State Premiers at the Premiers' Conference on June 26th, Federal Treasurer John Howard said, 'Particular care is needed in approaching the development task. If the economy were to become overloaded, the resultant upsurge in inflation would soon bring economic growth to an end and severely impair our medium term prospects, just as it has done in many overseas countries.'

On the following day, June 27th, Federal Opposition leader Bill Hayden addressed the Labor economists' conference in Adelaide, stating, "To put it in the simplest possible terms, poor growth is costing our young people jobs... and I repeat, the 1980s will need to see non-farm GDP (Gross Domestic Production) rise annually by over 5 per cent a year for any reductions to be made in the level of unemployment."

In his desperate attempt to preserve the Government's credibility on the inflation issue, Mr. John Howard and his "advisers" are, on Mr. Howard's own admission, "managing" the economy so that growth is restrained. Primarily because of the Government's rip-off policy on oil, inflation has moved upwards again. The overall result is a situation in which the business community, which was fooling itself three months ago with optimistic forecasts, now sees a gloomy period ahead. And unemployment has increased, with the young generation increasingly being treated as a type of cannon-fodder in the "war" against inflation. The social implications are becoming increasingly obvious - except to politicians and bureaucrats, who are insulated against their own destructive policies.

But Mr. Bill Hayden, soaked in financial orthodoxy, offers nothing but an increased federal deficit in an attempt to "stimulate" the depressed economy. This inevitably means even higher inflation and its disastrous consequences. The failure of a Hayden Government would move the nation quickly down the revolutionary slope on which it is now sliding. What is required is a change of policy, not a change of party politicians. The first essential is a major reduction in total taxation, a major reduction in interest rates, new credit, now written as an interest-bearing debt in the form of deficit budget, to be written as credits at the cost of administration, and applied, for a start to financing a policy of a reduction in the retiring age, to 55, and for a policy of liberal child allowances which would enable

more mothers to stay at home to look after their children. Part of the new credits could be used to start reducing the price-level of basic items in the economy with a consumer subsidy scheme similar to the one used with success during the Second World War. Those who refuse to see that what is physically possible must be made financially possible, have nothing to offer as the crisis deepens. There is now no doubt about the reality of the deepening crisis. All that is in doubt is whether enough people will grasp in time what is necessary to change a policy of revolution in to one of construction.

(Recommended reading, to be read in the following order:

- "Natural Cost and the Ownership of Money", by D.J. Malan 80 cents
- "A Programme for Reversing Inflation", by Eric D. Butler, 80 cents.
- "An Alternative to Disaster", by Dr. B.W. Monahan, 80 cents
- "The Crime and the Cure" 90 cents.)

SOVIET STRATEGY SUCCEEDING: A statement on Afghanistan by an American official during President Carter's visit to Spain confirms what we have feared: that after making suitable political capital out of allegedly taking a strong stand against the Soviet Union - the Olympic Games issue being promoted as a diversion - there would be in essence an acceptance of the Soviet in Afghanistan. It would be business as usual, with no real restraints on the export of technology, and food and fibres to the Soviet Union. The Official's statement in Washington acknowledged that the Soviet Union had "legitimate security interests in Afghanistan" and implied that the Carter Administration was looking for some way to resolve the question. President Jimmy Carter has said that he is prepared to continue working for "detente". This is a change from the original charge that the Soviet build up in Afghanistan was the greatest threat to world peace since the end of the Second World War. Faithfully following Washington, the Fraser Government has reversed its original stand on the exporting of breeding sheep to the Soviet Union. Australian taxpayers' money is being used to send a delegation to East Germany to participate in the coming meeting of the Inter-Parliamentary Union. So much for Prime Minister Fraser's strong anti-Communist stand!

Sustained by the economic blood transfusions from the West, the Soviet Union is not only demonstrating that it is capable of major operations such as those being used to eliminate all effective opposition in Afghanistan, with troops in reserve ready to move into Iran or anywhere else if "invited", but is also able to provide the essential backing for its major ally in South-East Asia, Vietnam. Although the ASEAN nations are attempting to present a brave, united front, it is no secret that they are concerned about the failure of the U.S.A. to take any firm stand in South East Asia. The dialectical clash between the Soviet Union and Red China, is enabling the Soviet to present itself as a counter-balance to the feared Red Chinese.

With Inia under Mrs. Ghandi moving closer to the Soviet, a look at the map reveals why the Soviet is satisfied with its strategic progress.

The best that Australia can offer is that it will now take Indo-Chinese refugees direct from Vietnam. Recent rhetoric about a greatly increased defence programme masks the fact that measured realistically, Australia's defence capacity has progressively run down under the Fraser Government. But, as "Defence" Minister Killen has said, the "fight" against inflation must take precedence over the expansion of Australia's military forces. The future of Australia, and every Western nation, depends upon a change in internal financial policies. It is not without significance that all Marxists bitterly oppose such a change.

BRIEF COMMENTS: There's an old saying about where there is smoke there is fire. Perhaps Mr. Bob Hawke didn't tell certain people in the USA that Labor would be beaten at the coming Federal Elections, that Hayden would lose the ALP leadership, and that Hawke would lead the ALP to victory in 1983. It could be that Mr. Hawke was merely "misunderstood". But, if Mr. Hayden were to win, how can Mr. Hawke achieve his stated ambition? And there is Premier Wran of N.S.W., a most astute politician who has to date been favoured by a certain amount of luck. What Australia requires at the moment are politicians concerned with genuinely representing their fellows, not blatantly seeking power.

\*

\*

\*

The UN Security Council has told South Africa to withdraw its troops from Angola or face the possibility of measures to force compulsion. No such threat has ever been made against the Soviet Union. South Africa has a small combat unit inside Angola hunting down Angola-based terrorists on the South-West Africa People's Organisation. South Africa is merely defending itself, not engaged in a programme to obtain global power.

\*

\*

\*

Mr. Graham Keogh, former editor of "Australian Army Journal" in a letter to "The National Times", June 20 - July 5, corrects Prime Minister Fraser's absurd statement about British and French alleged reluctance to take a strong stand against Hitler in 1936, the year of the Berlin Olympic Games. This statement was made in an attempt to justify a boycott of the Moscow Olympic Games. The British were in no position militarily to take a stand. So-called British appeasement gave the RAF in particular the necessary time to build up its fighter defence organisation. Without that defence organisation, "the few" would never have won the Battle of Britain, and Nazi Germany would probably have won the Second World War.