



ON TARGET

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The price of Freedom is eternal vigilance —

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Thought for the Week: "The French Revolution did not arise merely out of conditions or ideas peculiar to the eighteenth century, nor the Bolshevik Revolution out of political and social conditions in Russia, or the teaching of Karl Marx. Both these explosions were produced by forces which, making use of popular suffering and discontent, had long been gathering strength for an onslaught, not only on Christianity, but on all social and moral order.

"It is of immense significance to notice with what resentment this point of view is met in certain quarters. When I first began to write on revolution, a well-known London publisher said to me, 'Remember that if you take an anti-revolutionary line, you will have the whole literary world against you'".

—Mrs. Nesta Webster, in the Preface to her "Secret Societies and Subversive Movements" (1924)

A PHONY TAXATION DEBATE: The influential Australian Industries Development Association has entered the taxation debate, urging the Government to shift the burden of taxation from direct to indirect taxation. Spokesmen claim that unless there is relief from high personal taxation, there will be a "tax revolt". If one starts from the basis that high taxation is essential, that there is no other source of finance for legitimate government responsibilities, there is a case to be made for easing the burden of direct taxation, which does have a stifling effect on incentive. There is a superficial case for indirect taxation, in that theoretically the consumer has the choice of how much taxation he is prepared to pay. But in practice how much real choice does the consumer have? The motorist with a flat car battery on a cold, wet morning can not take a brave stand, refusing to pay the Sales Tax on a new battery. It is significant that generally speaking manufacturers are urging less direct and higher indirect taxation, while retailers and wholesalers are resisting any suggestion of higher indirect taxation. The retailer knows that higher indirect taxation automatically increases prices, and that he

is an unpaid tax collector.

But the argument about "reforming" the Australian taxation system is obscuring the basic question of why should TOTAL TAXATION be so high. There is a phony debate, and the only winner will be the taxation monopoly, a major arm of the financial credit monopoly. One of the major hoaxes of our times is that taxation is the only source of revenue available to governments. The truth is that governments are increasingly borrowing money from the operators of the banking system. New credits have to be created to finance deficit budgets. Every industrial nation, including Japan, is making use of massive injections of new financial credits through deficit budgets. But these credits are written up against the real credit of nations, their productive capacity, as an interest-bearing debt. This debt is serviced through taxation. Issuing credit on a different basis would of itself make it possible to reduce taxation substantially.

The phony debate on what kind of taxation obscures the fundamental question of credit creation and control. The manufacturers and the retailers should be uniting on this question instead of being divided on what is the best method of continuing a policy of legalised robbery.

(Essential reading at present: "Dictatorship by Taxation", C.H. Douglas. Price \$1.10 posted. "The Money Trick". Price \$1.40 posted.)

ANOTHER SURRENDER TO COMMUNIST CHINA: The Fraser Administration's decision to exchange defence attaches with Communist China is not only a significant upgrading of relations between the two countries, but further evidence of a willingness to assist the strategy of the power men in Peking. Ever since Prime Minister Fraser made his first visit to Communist China, early in 1976, and made his asinine claims about the Peking Government giving up its global revolutionary plans, he and his colleagues have progressively surrendered to the Peking strategy.

The power struggle which has been continuing in Communist China does not mean that Marxism-Leninism has been rejected in Peking. Both the late Mao Tse-tung and his opponents, including present leaders, have insisted that they are the only true Marxist-Leninists; that the Soviet are "revisionists". Before his death Mao Tse-tung was giving attention to how best China might extricate itself from a situation in which it was under pressure from the South, with American involvement in the Vietnam war, and from the North by the Soviet Union. When the dust of the Cultural Revolution settled, Mao Tse-tung directed his attention towards an external strategy which would deal with both the two major powers, the U.S.A. and the Soviet Union. About the same time Dr. Henry Kissinger was responsible for an open shift in American policy, with Peking quickly exploiting the changed situation with its

famous "ping-pong" diplomacy. Aided by the media, large numbers of gullible people, including politicians, in the West, believed that there was real change in Communist China. David Rockefeller and his international banking friends moved towards their long-desired objective of making massive credits available to China. President Nixon made his famous trip in February 1972, but with Peking propagandists creating an image of Nixon arriving as "a defeated imperialist dog stooping for compromise". The Chinese Communists achieved a major diplomatic victory.

A document circulated amongst Chinese Communist cadres at the time of the Nixon visit said, "We are now facing two major enemies - the American imperialists and the Russian revisionists. We have to knock down both these enemies... Are we ready to unite with one and oppose the other? Answers depend on the situation. Shift of emphasis must take place as the situation develops."

Since then, all developments in Communist China, including that of "modernisation", have been directed towards using the West, exploiting the West's anti-Soviet fears, to strengthen its own strategic position. The ultimate objective is to use the West to first deal with the Soviet threat before proceeding towards the ultimate Marxist-Leninist objective of world-revolution. The Peking strategists are no doubt delighted with the further assistance they are to receive from Canberra. Adopting a much more realistic approach, President Chiang Ching-kuo said on January 12th that the Republic of China, based on Taiwan, will never negotiate with Peking and never contact Moscow. Foreign Minister Tony Street could improve his understanding of the strategy of Peking by having a discussion with President Chiang.

BRIEF COMMENTS: The break up of the British Labor Party is a manifestation of the general break up of Western Civilisation everywhere. The Marxists have carried through their strategy of penetrating the British Labor Party to the point where they are moving towards complete control. But why have the Marxists forced a split at a time when the disastrous policies of the Thatcher Government were making the victory of a relatively united Labor Party inevitable at the next British Elections? The Marxists are not concerned about coming to office by normal parliamentary methods; they are always working for a revolutionary situation. Ironically, their greatest asset is the Thatcher Government, which they verbally denounce. The only hope for the British is a major change in finance-economic policy. And such a change will only come when enough electors refuse to be divided any longer by the type of civil war engendered by party politics, and unite to make their will prevail over their elected representatives.

Advocates of centralised power in all its forms have always resisted strongly any suggestion of using new financial credits to finance consumer discounts. The use of new credits in this manner would, in conjunction with reduced taxation, effectively end inflation and the basic cause of industrial unrest. But while the creation of new credit for consumption is attacked, vast amounts of new credits are created to finance production. The "mad monetarists" in the United Kingdom are providing thousands of millions of dollars to keep major British industries operating, while in the United States a similar policy is being adopted in an endeavour to prevent the Chrysler car organisation from collapsing. The creation of massive new credits for what in effect is subsidising production, is, however, irrefutable proof that there would be no difficulty in making new credits available to subsidise consumption. But such a policy would start to decentralise power. And that is not part of The Big Idea.

FROM JONATHAN HUNTINGDON'S NOTEBOOK:

The President of the Australian Defence Association, Mr. Colin Noble, has called for the resignation of the Minister of Defence, Mr. D.J. Killen. It is astounding that it has taken so long for concerned people to face the facts: often, at functions, the Minister has dodged hard questions on Defence to talk about Foreign Aid, his pet subject. This, in a climate where Australian air defence is so decrepit that of the sixteen Mirages (30 year old technology) commissioned to defend the Australian continent, perhaps twelve would get off the ground. The airframes are so weak that the aircraft cannot turn in under thirty miles: its weapons (Sidewinder and Matra rockets) so obsolescent that dogfight and/or intercept are beyond its capabilities. The decision to replace them has been deferred so many times that replacement prices have quadrupled.

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The Defence report published by the Government Printer presents the usual false impressions. Apart from large glossy photographs of our Navy retrieving impromptu new Asian immigrants from the South China Sea, and our Army personnel fraternising with the Maoist Z.A.N.U., there is a list of new farcical equipment purchases which would do justice to a banana republic: not a nation, uniquely without reliable allies, situated on the fringes of an Asia in turmoil.

BASIC FUND: We hoped to have an up-to-the-minute report for this issue of On Target. We do know that many pledges/donations are in the pipeline, but are not yet to hand. We'll have the picture clarified for the next issue.

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