



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance—

Vol. 19 No. 4

Registered by Australia Post — Publication No. VBH 0999

February 5th, 1982

Thought for the Week: "After all, the word minister means servant of the people. That's what politicians are, servants. Nothing more special than that." - Sir Charles Court, retired Premier of Western Australia, quoted in "The Australian Women's Weekly", February 3rd.

STAMPEDING TOWARDS THE END OF THE ROAD: We have on occasions quoted one of the famous sayings of the Chinese sage, Confucius: "It is no use running if you are on the wrong road". Those running the hardest on the wrong road only reach the end of the road ahead of others. Civilisation has been on the wrong road ever since the industrial revolution, the forerunner of today's computerised technology, was diverted from its true purpose by those who had organised themselves to establish a monopoly of the creation and control of money in the form of financial credit. The fact that the great majority of those who operate the banking systems of the world are, as individuals, basically the same as their fellows, does not alter the basic fact that they are operating a system which makes it mathematically certain that debt escalates. The faster an economic system is driven under present financial policies, the faster the escalation of debt. If it is insisted that no individual shall get access to any money except through economic activity of some kind, irrespective of whether it is necessary or destructive, financed directly or indirectly through a further expansion of debt, then continuing high inflation, with all its disastrous consequences, is inevitable. Which brings us to the implications of the recent C.P.I. measure of Australia's rising inflation rate.

The first point we wish to make is that Australia's inflation is much worse than the C.P.I. increase of 4.2 per cent for the December quarter indicates. No method of measuring inflation can assess the decline in the quality of much household equipment, and the deterioration of service. The C.P.I. figures issued by the Bureau of Statistics have a number of deficiencies, the most important of these being that there is no allowance for interest rates on loans. If the increased interest rates on home loans, for example, permitted by Treasurer John Howard

(with probably more increases to come) were included, the C.P.I. increase for December would have been at least 5 per cent. C.P.I. figures are based on surveys only done in the six capital cities, and relate only to consumer items. It is not surprising that large numbers of women are emphatic that cost of living increases are higher than C.P.I. figures indicate. The true inflation rate in Australia is now certainly in excess of 15 per cent an annum, a level which Mr. Fraser and his colleagues said in Opposition, was leading to break-down and revolution under the Whitlam Government. The overall situation is now much worse than it was under the Whitlam Government. And in spite of Mr. Howard's soothing words, it is now going to deteriorate much more rapidly. The Deputy Prime Minister, Mr. Doug Anthony, reacted to the increased inflation rate with one of his typically incredible statements: "...the Government had the economy under control. Inflation has been contained and many more jobs are being created." Predictably, Opposition leader Hayden charged that the Government was "incompetent" in its attempts to "manage the economy". By inference, Mr. Hayden was saying that he could "manage" the economy better than the present managers. As demonstrated in the Soviet Union and other Socialist countries, the more "management" of the economy by politicians, the greater the disasters. In a free society, the true role of the politicians is to ensure that there is a financial policy which enables the individuals of a society to get what they want from their production system. The concept of government planning implies that individuals belong to governments. It cannot be stated too often that in a genuinely free society, based on the Christian philosophy that every individual is unique, and counts, governments belong to individuals and exist to serve them.

Every industrialised nation in the world now has the same basic problems. With some minor variations, all are pursuing the same policies. The British and Americans have tried the desperate measure of reducing the rate of credit creation, the result being record post Second World War unemployment, declining economies and growing social disintegration. If Mr. Howard is successful in his call for "wage restraints" (although not for politicians and senior public servants!) Australia's unemployment rate will jump. As we have observed previously, the Japanese "economic miracle" is coming to an end. It has only been sustained by massive exports, much of these to the United States. The Americans have said it has got to stop - or else! So the Japanese have agreed that they will buy more of their beef from the United States, and less from Australia. They have also agreed that they will not export as many cars to the U.S.A. It is no use Mr. Doug Anthony lecturing the Japanese Ambassador about Japanese breaking agreements. The reality of the developing situation is that there is going to be a reduction in Japanese imports from Australia, this contributing to the slowing of the exaggerated "resources boom". A sign of the times is the announcement by one of the world's biggest

contract engineering organisations, Fluor Australia, that professional staff is being laid off. All industrialised nations are not moving into the worst depression since the 'thirties. But the position is now much more explosive and revolutionary than was a period which led to the Second World War. A quarter of a century of "progressive education" has badly eroded traditional values. And even the Christian Church has failed to halt the totalitarian advance, generally under the label of Socialism, some clergy openly endorsing Marxism.

In more ways than one, the end of an era has been reached. It does not matter if nations like Australia attempt to accelerate an advance on the present road, or attempt to reverse. There will be a stampede into greater disaster. A new course must be charted, one which moves off the debt and inflation road. And, as Confucius also said, the longest journey must start with the first step, however small it may be. A first step for Australia would be: a drastic reduction in the interest rate, the abolition of Sales Tax, and the re-introduction of the system of Consumer Subsidies used so successfully during the Second World War. Such a first step will be bitterly opposed by the unelected power men running Australia. But under the threat of a major disaster, sufficient Australians could yet heed that minority whose predictions have been confirmed by events, and insist that, in the words of Sir Charles Court, their politicians should be their servants.

BRIEF COMMENTS: We have the greatest sympathy with all those people around the non-Communist world who, in different ways, have been proclaiming their support for the Polish Solidarity Movement. But all of this will of itself have little if any effect on the realities of the Polish situation. Poland, allegedly the reason for the British and French declaration of war against Hitler's Germany, was betrayed at the Yalta Conference in 1945. Western politicians proved to be little more than puppets for the international power groups determined to promote One World. These are the groups which have supplied the huge international loans to the Soviet Bloc, including Poland. A complete economic blockade of the Soviet is the one way to end Communist tyranny. Chancellor Schmidt of Germany, supporting the French, rejects this policy as "an act of war". Of course it is. But if the West will not act in accordance with reality, which is that the Soviet regards itself as at war, then the West will continue to retreat. Even President Reagan's call for sanctions does not include grain, although indicating he might use it as part of general sanctions. The failure of the non-Communist world to even consider sanctions, primarily because of their internal economic situation, is a manifestation of that spiritual disease to which Alexander Solzhenitsyn refers in a recent article on the Polish crisis.

* * * * *

When we read the press headline, "PROFESSOR CALLS FOR A NEW MONEY SYSTEM", our hopes were momentarily raised that perhaps one "ON TARGET"

February 5th, 1982

Page 3 (17)

academic had come to recognise the obvious. But, alas, Professor Russell Mathew of the Australian National University, addressing the annual summer school of The Australian Institute of Political Science, confined himself to condemning Commonwealth-State financial relations. Professor Mathews is regarded as one of Australia's most influential commentators on this subject. He is right, of course, when he says that the tax-sharing formula introduced as part of the Fraser Government's "new Federalism" has strengthened the Commonwealth's control over State finances. But his suggestion that a new decision-making instrument be created, in which the States collectively combine with the Commonwealth to consider taxation, borrowing and other associated matters, does not even touch on the core of the problem threatening all nations: the creation and control of the nation's money supply.

* * * * *

The Liberal Party in N.S.W. has provided yet another example of the corruption of modern party politics. Before the last N.S.W. State elections, the Liberals campaigned "on principle" against the public funding of political parties, warning that it was a threat to democracy and akin to nationalisation. But with a debt of \$1.5 million and confronted with the Lowe by-election, the Liberals have reversed themselves. It is reported that the NCP in N.S.W. may follow the Liberal example. Federal Liberal Director, Mr. Tony Eggleton, says that while the Federal Liberal Party was still greatly opposed to public funding of elections, the N.S.W. Liberal action was "pragmatic". Presumably if the Federal Liberals also find themselves in debt, it will be "pragmatic" then to accept public funding, a policy which enables the major political parties to maintain their monopoly of power.

* * * * *

Australian parents continue to make it clear they are dissatisfied with the public education system. Almost a quarter of Australia's students are now attending private schools after a further decline in the number attending Government schools. The Marxists, secular humanists and others are annoyed and concerned. They are critical of the policy which enables parents to get access to some of their own taxes if they send their children to a private school which gives their children what they desire. Education will be a major issue in the coming Victorian State Elections.

BASIC FUND: Please keep it coming. The general situation is as we have predicted - one of the deepening crisis. Details next week.

ON TARGET is published and printed by the Australian League of Rights, 273 Little Collins St., Melbourne. Subscription rate \$12 p.a. posted.