



ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week: "So-called democracy... is a ballot-box device for despoiling minorities, not, it should be carefully noted, for the benefit of majorities, but for the benefit of third parties. Motor taxes do not distribute motor cars, wine taxes do not distribute wine, and expropriated estates do not go to the landless."

— C. H. Douglas in "The Brief for the Prosecution."

WHAT ABOUT THAT "ECONOMIC RECOVERY"? The Melbourne "Age" of January 4th carried a front page story under the headline, **ECONOMISTS TIP BRIGHT GROWTH YEAR.** Written by Mr. Terry McCrann, business editor, the story opened as follows: "Australia's top economic forecasters are unanimous in predicting that the nation's economy will power strongly into recovery in 1984 and end two years of recession and almost unremitting gloom." The League of Rights has never been listed as a "top economic forecaster", but the record shows that over nearly 40 years the League has been consistently right while many of the economic "experts" have been consistently wrong. No realistic comment on economic affairs is possible without an understanding of how the present finance-economic system operates. With that understanding, it can be predicted with complete certainty that there can be no genuine stability. The system can only be sustained by escalating debt. Continuous inflation is mathematically certain while this policy is pursued. Attempts to restrain inflation by restricting the rate of debt creation produce economic and social disasters, these exploited by subversives in all spheres with the ultimate aim of creating a complete collectivist State.

Increased economic activities in Australia are directly related to an increased rate of credit creation, and a small reduction in interest rates for those prepared to increase their debt structure. However, it is instructive to note that small business organisations are not obtaining the benefit of any reductions in interest rates. Loans to large business organisations have dropped to 13 per cent, while smaller business organisations face interest rates of 15 per cent for loans up

to \$100,000. A policy of progressive economic centralisation is being imposed by financial policy. This is being accentuated by big increases and other charges being imposed by State Labor governments in spite of promises by State Labor Premiers Wran, Cain, Bannan and Burke that they would lower or "restrain" State taxes.

Assuming that Australia's record wheat harvest can be sold at a profitable price, increased credit expansion against export earnings will, along with Mr. Hawke's deficit, also help to stimulate the Australian economy. But many wheat growers will not be so pleased as they are now when they eventually receive their taxation assessments.

We warn once again that predictions about any type of genuine economic and social stability emerging this year are dangerously misleading. The experiences of the U.S.A. provide a clear warning for those prepared to heed it. The much-publicised American "recovery" has been the result of the Reagan Administration adopting a financial policy which has generated a record deficit. Now comes the news that the Organisation for Economic Co-operation and Development has warned that the American "recovery" might soon start to "evaporate". Federal Reserve Chairman Mr. Paul Volcker expresses his fears about the huge deficit and says that the Government should "put a cap" on its credit supply. With a Presidential election coming up in November this year, there is no way that the Administration is going to halt its current expansionary programme. The consequences of expanding the flood of increasing debt can, hopefully, be masked until after the elections. Unless there is a basic change in financial policy, we can predict now that 1985 is going to be a major disaster year for the U.S.A., with widespread international implications.

But current evidence suggests that already Mr. Volcker is through the Federal Reserve Board moving to clamp down on the credit expansion which has given a temporary stimulus to the American economy and has led many "experts" to claim that the U.S.A. was leading the world out of the depression. Over the twelve months between July, 1982 and July, 1983, there was the biggest increase in the U.S.A. money supply since the end of the Second World War. But since the end of July, 1983, the rate of money expansion was cut back to a rate equivalent to only 2 per cent per annum. This explains the headline, STAGNANT SALES SHOCK ANALYSTS, with a gloomy story of low pre-Christmas sales. Dr. Milton Friedman predicts that "We shall be lucky indeed if the economic slow down now in process does not degenerate into a full-fledged recession."

In Australia Mr. Bob Hawke is going to have his early election before the harsh realities of finance-economic orthodoxy reveal how

baseless are the claims of a genuine economic recovery. And, of course, while there is no effective Opposition.

BRIEF COMMENTS: Old-time Labor supporters must be finding it increasingly difficult to relate to a Labor Party dominated by academics of various types who have turned their backs against traditional Labor policies. One of those policies was support for a restricted immigration policy designed to maintain a homogeneous nation. The new Labor Party has bended to the same international pressure which changed the immigration policy of the Liberal-National Coalition. Now comes the news that Federal Treasurer Keating supports the granting of licences to foreign banks. Mr. Keating said on January 12th that the Martin Committee, established to review the findings of the Campbell Committee, had recommended that there should be "something like four to six" more licences - both foreign and domestic. The internationalising of the banking system is designed to break down national sovereignties and to pave the way for the World State.

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In an article on Attorney-General Gareth Evans in "The Australian" of January 14th, Anne Maria quotes an Australian Democrat Senator as saying, "Gareth is always on an ego trip, always trying to score Brownie points. The trouble is he carries his arrogance too far." Senator Evans is a great admirer of Mr. Justice Murphy. Mr. Justice Murphy is the man who said, "I often look at the Hansard records of parliamentary debates, and I must confess I not infrequently find my own contributions, when a member of the Australian Senate, particularly valuable." Evans and Murphy are typical of their kind; their sheer intellectual arrogance masks their shallow philosophical roots.

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Those astonished, and alarmed, by President Reagan's marked shift of attitude towards Communist China, should note that China is now the U.S.A.'s third biggest export market, and that the U.S.A. is China's largest investor. Economic co-operation, which in reality means increased U.S.A. economic blood transfusions to Communist China, was the major subject for discussion between President Reagan and visiting Chinese Communist President, Mr. Zhao Ziyang. President Reagan told his Communist guest that "We're making available technology that will open new horizons for your country." He is not reported as saying that U.S.A. technology is being made available as a result of the massive credits being extended to Communist China by the International Bankers. The same bankers financed advanced technology for the Soviet Union. This certainly opened up "new horizons"

for the Soviet strategists, who have used this technology in their contribution towards establishing the World State. The Chinese Communists endorse the same objective. And while President Reagan is giving increased aid and comfort to the Chinese Communists, they are increasing their persecution of Chinese Catholics who maintain their contact with Rome. The 76-year old Roman Catholic Bishop of Baoding has been jailed for ten years because of his contacts with the Vatican.

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The Muldoon Government in New Zealand is congratulating itself because the inflation rate has dropped to the lowest level for 15 years. But the rate still continues at 3.6 per cent, which only a short time ago would have been regarded as disastrous. The lower inflation rate has been obtained by imposing restrictive policies which have created record unemployment and a trail of business bankruptcies. The 10 months-old freeze of wages, prices and dividends cannot be maintained indefinitely without even worse depression conditions, and when removed, as ultimately they will, the inflation rate will inevitably rise again. Before the Muldoon Government came to office, New Zealand had one of the lowest inflation rates in the world, without mass unemployment and large-scale business bankruptcies. This was the result of a policy of consumer price subsidies. This policy is detested by Mr. Muldoon's international banking friends, and whenever a desperate nation requires that its foreign debts be "managed" by the International Monetary Fund, the first condition is that all price subsidies be abolished. A constructive policy for abolishing inflation is outlined in Mr. Eric Butler's "Programme for Reversing Inflation". (Price \$1 posted).

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BASIC FUND:: There was a lag in the Basic Fund appeal over the holiday period. But with 27 supporters contributing \$2,470, the relatively high individual contribution rate was maintained. The grand total now stands at \$31,735. The League has reached a "Now-or-Never" situation. Rush YOUR contribution TODAY.

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