



ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week: "There can be no doubt that the subject of Finance is, in many senses, guarded by Black Magic. Intrinsically, nothing could be simpler. You bake a loaf of bread; you give someone a white pebble; the next day the white pebble is offered to you, and you accept it in exchange for the loaf, and everyone is happy. A more complex system is demanded for a more complex economy, but the fundamental principle that money ought to be simply an accounting demand system never changes, but is never observed."
C. H. Douglas in "The Development of World Dominion."

ON THE BRINK: "It is scarcely an exaggeration to say the Hawke Cabinet is immobilised watching its Treasurer's stunning juggling performance taking place at the edge of the economic precipice" - Paul Kelly in his "National Political Comment", "The Weekend Australian", April 12-13.

Like governments of the past, the Hawke Government is discovering that glib rhetoric and smooth public relations exercises, cannot permanently mask the inevitable results of debt-finance. The first Hawke government lost no time in attempting to stimulate the economy by massive doses of debt. It was also helped by the breaking of the widespread drought in the autumn of 1983. Compared with the type of politics practised by Mr. Malcolm Fraser, "Consensus" Hawke did appear like a refreshing change. But as we consistently pointed out, the Fabian-like approach of the Hawke Government could not change the reality. In spite of increases in the size of government bureaucracy and artificial employment schemes, unemployment figures remained high. The best that could be said about inflation was that the official rate was slightly lower than in the past, but still at a level which not so many years back was described as a national disaster.

Mr. Paul Keating's big devaluation exercise was designed to produce a turn around in Australia's trade deficit. A new piece of Black Magic called the J-curve was used to describe what was going to happen. There is a major problem about this J-curve; Australia's balance of payment situation does not improve. Nor is it likely to

in a world where most commodity prices are either stagnant or falling because of the world recession. Caught in a continuing cost-price squeeze, Australian primary producers have done what primary producers have done in the U.S.A. and elsewhere; increased production to the stage where Australia is attempting to export food at a time when there are mountains - and lakes - of surplus production. President Ronald Reagan can sympathise with his friend Bob Hawke, but the subsidised food exports from the E.E.C. are contributing to that crisis.

Australia's exports are not only facing the threat of American subsidised food exports, but the E.E.C. is now demanding that Japan reduce its big trade deficit with Japan by taking more E.E.C. food. Under present financial policies, this is bad news for Australian and other food producers. Unless there is a major change, not mere bandaid treatment, in financial policy, we fear that the Australian rural crisis is going to escalate, with horrendous social and well as economic implications. It is tragic to see well-meaning, desperate primary producers protesting in Canberra. Prime Minister Hawke's response to the complaint about high interest rates, that, yes, they were a "bastard" implied that he accepts them as painfully inevitable - like drought or some natural phenomena. Part of the high-interest rate policy is, of course, governed by the alleged necessity to attract "Foreign capital" into Australia. Clearly both Treasurer Paul Keating and Prime Minister Hawke are the victims of the Black Magic known as debt-finance. So great is the influence of the Black Magic, that last week one financial "expert" suggested that the John Elliott bid for BHP would be a good thing if financed from financial credit from overseas! There was a mild hurrah when it was announced that, as a result of higher interest rates, some of the foreign banks would start to finance Australian home buying. Why should the building of Australian houses, built with material all produced in Australia, and by Australian builders eating Australian food, be dependent on the provision of figures in a book by foreign banks?

Putting on his best grave face, Treasurer Keating now says that 1986 should be seen as a year of "consolidation", which means that he hopes the situation will not worsen any further. In the meantime there is to be a "tough" budget. Ministers are struggling to meet demands for cuts in spending, most of these being at the expense of families. Mr. Keating is already prepositioning himself to explain why he will not fulfil his promises concerning the Federal deficit. Not even Treasurer Keating's famous juggling skills are going to prevent what is ahead; a further lowering of general living standards and more social disintegration. And adding to the developing tragedy is the absence of anything that even resembles a genuine Opposition with a constructive alternative programme. That alternative must come out of the growing grassroots ferment throughout Australia. We are encouraged by

developments to believe that a cohesive movement with a genuine alternative to disaster is going to emerge. It if doesn't, Australia as a free nation is finished.

THE SOVIET "MESSAGE": To give impetus to the peace marches held on Palm Sunday, the Soviet Ambassador in Canberra took out a full-page advertisement in The Australian, March 18, 1986. The advertisement was in the form of a number of articles relating to the recently-held 27th Congress of the Communist Party of the Soviet Union in Moscow. The articles related to the theme of peace and nuclear disarmament. Predictably, the line taken "peaceful co-existence". Included in the Ambassador's remarks were the following:

" Among other important initiatives proposed by the Congress is a meeting between the leaders of the countries which are permanent members of the Security Council (of the UN) to discuss what could and should be done to strengthen peace. Also proposed is the convocation of a world congress on problems of economic security at which it would be possible to discuss in a package everything that encumbers world economic relations. Thus, Mikhail Gorbachev's political report advances the idea of a mutually interrelated world ..."

An accompanying article headed: "FOR IMPROVEMENT OF WORLD ECONOMIC RELATIONS", was written by Yuri Kuritsyn, APN political analyst, and was a passionate plea for the New International Economic Order;

" The destabilising effect of the developing countries' foreign debt has already come up to a critical point. The problem can now easily go out of control and cause a chain reaction of shocks not only of a monetary-financial but also political and military character That is why the Soviet Union deems it necessary to create an international mechanism which would assure defence of economic rights to an extent equal for all states and which would become a major element of an all-embracing system of international security the Soviet Union has set forth detailed proposals on the content and character of the operation of such a mechanism in the memorandum international Economic Security: an important condition of healthy international economic relations which was submitted for consideration by the United Nations in late January ..."

"Peaceful Co-existence" was a tactic originally outlined by Lenin to disarm the West prior to "smashing them with the clenched fist". The world debt-crisis is being used to panic the world into accepting a plan for a single world financial dictatorship, again originally outlined by Lenin. (See Special Intelligence Survey "UPON THAT MOUNTAIN - THE BACKGROUND TO THE NEW INTERNATIONAL ECONOMIC ORDER, April 1984, \$1.50 posted from all League addresses).

BRIEF COMMENTS: Not surprisingly, the building societies, which operate under State control, have been complaining about the special Federal Government's treatment of the banks concerning building

loans, pointing out that \$120 million of taxpayers' money has been made available to help subsidise the banks to maintain the 13.5 per cent rate of interest for those buying homes at that rate. But no subsidy has been offered for the 30 per cent of Australian homeowners financing their homes through building societies. While it is true that the trading banks operate under Central Bank controls, they have been doing nicely with their credit creating activities, making a record profit of over \$1 billion last year. Some bank charges have become outrageous. The building societies would substantially increase the pressure of their campaign against the discriminatory policy of the Hawke Government if they pointed out in their advertising that, while the banks create new money when extending loans, the societies can only loan what has been deposited with them. Unfortunately, some of the advertising fosters the nonsense about the banks lending deposits.

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Should the American policy makers decide on a military strike against Libya, it can be predicted with complete certainty that this will not decrease acts of terrorism, and that it will increase the feeling of anti-Americanism throughout the whole Moslem world. There is sound evidence that recent terrorist acts have been planned in Syria and Lebanon. Terrorist groups also have links with Iran. But the major supporter of terrorism as a political weapon, is the Soviet Union. So far from the Reagan Administration doing anything effective against the Soviet, since the Summit of last year there has been an increase in the flow of credits, food and technology to the Soviet. This has not gone unnoticed throughout the Moslem world, which has increasingly become convinced that American policy makers are hypocritical - or worse.

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The widespread publicity concerning Olof Palme, the assassinated Swedish Prime Minister, has obscured the major contribution made by Palme to the advancement of the Socialist World State. Delegates at the congress of the Soviet Communist Party stood for a minute's silence in memory of a man who had only stayed in power because of the support of the Swedish Communist Party. A traitor to his conservative family, Palme was a prominent figure among the international planners, being a member of the Brandt Commission, helping to produce the 1980 report, "North-South: A Programme for Survival". The programme is designed to advance the New International Economic Order, one of its strongest devotees being that great Australian 'conservative' Prime Minister, Malcolm Fraser. Shakespeare observed that the evil that men do lives after them. The evil that Palme did will unfortunately be increased by the mantle of martyrdom bestowed on him by his unknown assassin.

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