



# ON TARGET

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*The price of Freedom is eternal vigilance —*

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**THOUGHT FOR THE WEEK:** "If it should prove possible for one country to demonstrate that inflation can not only be halted, but reversed, there would be widespread public pressure for similar reforms elsewhere. But inflation....is a mechanism of political intent and as such an integral component of the strategy to achieve a World Government; and a reversal of inflation would therefore attract the hostility of those working at the highest international levels to bring such a Government into being..... The chief technique of international government is through the international financial system, into which national Central Banks are integrated."

- Dr. Bryan Monahan in Freedom and Inflation

**FEDERAL OPPOSITION SUPPORTS TAXATION ROBBERY:** William Pitt, the famous British Prime Minister, is credited with the statement that there was a type of taxation which made it possible to tax the last bite from the mouth and the shirt from the back without the individual fully grasping what was happening and protesting too loudly - that was a consumption tax. The modern taxation system has become little more than a form of legalised theft, an instrument for controlling people. The completely false idea has been sedulously fostered that taxation is essential as the only means governments have of raising revenue and financing government activities. It is only necessary to consider the big percentage of taxation used to service debt, to see how fallacious this view is. And, of course, an enormous amount of government activities are financed by further borrowing from the banking system, thus adding further to the debt burden. High interest rates help to compound the problem. Because of a defective education system, people grow up with no understanding of how the modern money system operates, and how it could be used differently.

Dr. John Hewson, leader of the Federal Liberal Opposition, and his team of new boys have lost no time in confirming our worst fears about their inability to free their thinking from the shackles of financial



orthodoxy. Their thinking on economics is little different to that of Treasurer Paul Keating, whom many people have forgotten attempted, without success, to "sell" the consumption tax concept. But now Dr. Hewson and his colleagues have taken up where Paul Keating left off. Under the guise of "reviewing" and "reforming" the taxation system, the Liberal Opposition is going to attempt to break down resistance to the concept of a new type of consumption tax, along the lines of the General Services Tax (G.S.T.) operating in New Zealand. The only comment necessary concerning the New Zealand G.S.T. is that the total amount of taxation being collected has increased, as has inflation. Even the present Governor of the Reserve Bank, Mr. Bernie Fraser, says that a consumption tax would increase inflation.

One of Dr. Hewson's strongest allies in the campaign for a consumption tax is former President of the National Farmers' Federation, Mr. Ian McLachlan. Mr. McLachlan merely echoes the theme of his colleague, the Federal President of the Liberal Party, Mr. John Elliott. It was as leader of the National Farmers' Federation that Ian McLachlan came into national prominence during those hectic days when desperate farmers were marching on Canberra. An estimated \$15 million was collected for a Fighting Fund with which to support the farmers. But farmers have continued to be forced off their properties. Rising costs, of which high interest rates are the most killing, continue. Part of John Elliott's corporate empire, Elders, has recently announced that it is closing down many of its branches throughout rural Australia because it anticipates a further big erosion of the rural community over the coming years. The National Farmers' policy is support for a type of taxation which will increase the pressure on the very primary producers they are allegedly representing. No criticism is directed at the debt system, a subject which, as pointed out by well-known political commentator, Mr. B.A. Santamaria, writing in The Weekend Australian of April 21st-22nd, both the Government and the Opposition ignored during the recent Federal elections.

As Mr. Santamaria correctly observes, "...the problems created by the external debt ...is immediate, urgent and inescapable. The excruciating symptom is a level of domestic interest rates ranging from 17 percent to 23 percent, accompanied not so much by a credit squeeze as an almost total credit stoppage. Hundreds of companies have been put out of business. Thousands of bankruptcies are in the offing." What do Dr. Hewson and his colleagues propose to do about the escalating external debt? In what way could a consumption tax possibly help? They are talking in the most general terms about "tax reforms" which will increase incentive and greater production, not for domestic consumption, but for export. Operating under the spur of constantly rising costs, Australian wool producers have increased their flocks and production to new record levels. And so what? The Australian Wool Corporation's stores are overflowing with wool unsold.



Even under present onerous financial policies and bureaucratic interference, the Australian production can readily provide an abundance of every conceivable type of production required by Australians. Conditioned by the same philosophy as the Government, the Opposition offers no genuine alternatives to the current programme of increasing disaster. This confirms the view we expressed before the elections: let Bob Hawke and his colleagues stay in office and at least be forced to accept the responsibility for the growing national disaster. As we have constantly warned, events were going to force Australians to look at economic realities - otherwise traditional Australia is lost.

(Essential reading for those who want to equip themselves to help defend their families and their nation: The Money Trick, a best seller which has opened the eyes of tens of thousands to understand how money is created by the banking system, \$7.00; The Root of All Evil, by Eric D. Butler. A challenge to all those who call themselves Christians, \$2.00; A Programme for Reversing Inflation, by Eric D. Butler. A Paper given at a Queensland National Party Seminar, \$2.00. Democratising Money, by Chas Pinwill, \$5.00. All prices include postage. Order from all League addresses.)

**BRIEF COMMENTS:** George Orwell, author of 1984 and Animal Farm, warned of the "brave new world" in which certain uncomfortable facts of history were "poured down the memory hole". How many of today's Australians have heard about the Royal Commission into Banking, appointed by the Lyons Commonwealth Government in 1935 under the chairmanship of Mr. Justice Napier, a Judge of the Supreme Court of South Australia, which brought down its report in 1937? Today that Report is a collector's item. In section 504, the Commission's Report said, after explaining the function of the Central Bank, at that time the Commonwealth Bank in the creation of money, that the Bank "can lend to others in a variety of ways, and it can even make money available to Governments or to others free of any charge". Some interest free money would be a great benefit at the present time.

Mr. John Spalvins, head of Adelaide Steamship, Woolworths and David Jones, one of Australia's most prominent corporate business leaders, has warned against the current lending policies of the banks, stating in a lecture in Sydney last week that "I do not believe there can be a continuation of the current interest rate policy without dire consequences for the Australian economy". But high interest rates are a major feature of the Hawke-Keating strategy for "cooling" and "over-heated" economy. In simple English, tens of thousands of Australian primary producers and businessmen are being bankrupted in an attempt



to bring inflation down. This disaster policy has to be challenged if further disasters are to be avoided.

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The Soviet Union is providing a dramatic example of how economic centralism undermines freedom. Since annexing Lithuania, along with the other two Baltic States, Estonia and Latvia, the Soviet has progressively colonised the country by integrating its economy into the Soviet economy. Unless Lithuania can obtain adequate economic aid from the West, it faces a grim future as Gorbachev makes it clear that he is determined to maintain control of a nation handed to the Soviet as a result of the infamous Hitler-Stalin agreement of 1939. No-one should be surprised that Gorbachev is now using force as well as economic sanctions. It should never be forgotten that Gorbachev is a member of the Politburo which decided upon the naked invasion of Afghanistan. While making tut-tutting noises, Western leaders are making it clear that they wish Lithuania would desist from threatening the newly-forged East-West relations. Backed by the International Money Power, Western governments are not prepared to risk any threat to the Big Idea - the integration of Eastern and Western economies in the drive towards the World State. But there could be some unrehearsed events ahead.

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The appointment of Mr. Gerry Hand as Minister for Immigration is part of the Hawke Government's strategy of attempting to consolidate its links with the ethnic vote in Australia. The very fact that a relatively small minority in the community can be used as a type of political football is itself evidence that a cohesive society is at threat. Mr. Hand is only a Minister because he is the choice of the Left faction in the Labor Party. There is little doubt that the immigration debate is going to become a major issue with some explosive developments. Already Hand has expressed confidence that race will not be a factor, but then says it will provide scope for "extremists" to push their trolleys loaded with hatred, intolerance and fears - trolleys that were first pushed on the goldfields more than a century ago. The "fears" mentioned by Hand were a manifestation of what is sweeping through Eastern Europe and the Soviet Union today - people want to associate with their own kind to maintain their own ethnic cohesion and culture. Mr. Hand should be asked what is wrong with that attitude.