



- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

*The price of Freedom is eternal vigilance—*

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**Thought for the Week:** "The State is a mechanical apparatus not to be confused with a nation or society; it is of necessity a calculating machine, a thing of forms and figures. It can be used by a nation but cannot supply the pride, patriotism and urge to help oneself and others by personal endeavour; on the contrary, it must act as a deterrent to those old-fashioned characteristics. The State machine in some other countries calculates population in terms of cannon fodder, and while we have, as yet, no such blot upon our escutcheon, it must be admitted that the State machine, like any other mechanical device, having no soul to be damned, is only concerned with population as raw material for official activity or experiment".

Sir Ernest Benn in "The State The Enemy".

**THE FRASER-LYNCH DELUSIONS:** Commenting on the slight reduction in the Consumer Price Index of 0.5% to 2.5% for the June quarter, "The Australian" of July 17th heads its editorial: "At last we are going in the right direction." This should cheer Mr. Fraser and Mr. Lynch who, in the face of all the evidence, doggedly maintain that their finance-economic policies are correct. But as even "The Australian" is compelled to concede, "The major factor in the slackening pace of inflation during the June quarter was lower food prices in the food sector, due to seasonal and market influences rather than any conscious policy." The lower food prices are in fact a type of consumer subsidy provided by Australia's desperate primary producers, now suffering the most depressing conditions since the Great Depression of the 'thirties. And retailers are offering a wide range of discounts in an attempt to sell stock and remain solvent for just a little longer.

Clutching at straws, Federal Treasurer Lynch said on July 13th that "A turnaround was taking place in the economy and the recovery was getting under way." One of Australia's oldest and best known business organisations, Hecla-Rowe, which announced bankruptcy last week, must have found it hard to agree with Mr. Lynch! Unemployment figures do not indicate any recovery. And as Liberal Premier Hamer of Victoria warns, unemployment must grow by thousands in Victoria unless he can obtain more money from Canberra. But even though the Hamer warning was endorsed last week by the Federal Liberal Party's standing

committee on policy, Mr. Hamer - and his fellow Premiers - have been lectured by Mr. Lynch on how they must follow the lead of the Federal Government and help "to fight" inflation with greater economies. Mr. Lynch is therefore advocating a higher rate of unemployment.

Higher unemployment must result in lower consumer demand. It will, of course, help temporarily to ease the inflation rate, but must result in greater friction with the Trade Unions. Members of the Federal Liberal Party policy committee have charged that Government policies have failed to stimulate investment. We predicted this failure six months ago. Mr. Gordon Bruns, chief economist of the A.N.Z. Bank said in an address last week that it was more important for the Government to provide more money than to be worrying about cutting the size of the Federal deficit. He urged tax cuts. And now The Australian Industries Development Association has joined in the criticism of the Government's over-concern about reducing the deficit. In a statement issued on July 15th, the A.I.D.A. said that "Real national output is drastically below potential at this stage." This is what we have been stressing for months; that there is nothing basically wrong with the economy regarded as a production system. There are no production problems, only financial ones.

The essence of the finance-economic problem facing Australia is how to increase purchasing power to the level where Australians can purchase what they have produced, without in the process creating more inflation. The first essential is to bring financial costs down, and this can be achieved by a drastic reduction in taxation, starting with Sales Tax. Associated with this reduction, a policy of consumer price discounts would have a dramatic impact on the price level. The new credit now necessary to pay new wage increases could be used to finance the discounts. It is mathematically impossible for the Fraser Government to reverse inflation constructively under present financial policies. We have now had seven months of increasing disaster under the Fraser-Anthony Government, and as warned on March 18th by Mr. Eric Butler in "Fraser Government on Road to Disaster", the disaster must lead to revolutionary convulsions unless present financial policies are corrected to enable the free enterprise system to serve consumers.

MELBOURNE "COMMUNITY RADIO" SERVES MARXISTS: Government Members must be asked some searching questions about the Fraser-Anthony's support for the recent inauguration of Melbourne "community radio" station 3CR. 3CR is Australia's first "community radio" and was granted a five-year broadcasting licence on October 10th, 1975.

3CR is run by the "Community Radio Federation". An examination of the affiliated organisations is revealing. Numbered amongst the Communist-dominated Unions and other organisations are the pro-Peking Australia-China Society and the Australia-Albanian Friendship Association. Also affiliated are Gay Liberation, the anti-Christian Rationalist Association and the Communist-controlled Migrant Workers' Conference.

A study of the history of the "community radio" concept reveals yet another example of the classical Communist front technique. Supported by the Whitlam Labor Government and the A.B.C., the Communists were successful in advancing the concept to the stage where early in 1975 the Whitlam Government agreed to issue licences to two "community radio" stations, one in Campbelltown, N.S.W., and the other in Melbourne, both independent of the A.B.C.

Last month the Commonwealth Attorney-General's Department advised that the 3CR broadcasting licence was illegal. But instead of using this opportunity to refuse the Communists the right to use another vehicle with which to subvert still further the Australian community, it re-issued the 3CR licence for five years. It will be interesting to hear what Government Members have to say about this remarkable action by an "anti-Communist" Government.

THE SOVIET UNION AND TRANS-NATIONAL TERRORISM: Is the Soviet Union fostering trans-national terrorism as a new method of creating fear and confusion in the West? British Intelligence reports indicate that the answer is "Yes." The group of hi-jackers killed by Israeli commandos in Uganda consisted of four Palestinians, two Germans (one a woman) and one South American. Dr. Haddad, top planner of terrorist activities for the Palestinian Liberation Organisation, now has an international terrorist network and links with Japanese and West German organisations, the I.R.A. in Ireland, Basque (Spain) separatists and Latin-American urban guerrillas.

British Intelligence reports claim that the main training camps for the new breed of trans-national terrorists are: Russia, East Germany, Cuba, Libya, North Korea and significantly, Uganda. Idi Amin has for some time relied upon a Palestinian bodyguard for protection. The Governments responsible for permitting trans-national terrorists to be trained on their soil are allegedly part of the "international community" which the Australian Government mentions in defending its anti-Rhodesian policy.

All acts of terrorism are a violation of the foundations of civilised society. Why, then is the Fraser Government joining with the British and other Governments to provide aid and comfort to the Marxist

Government of Mozambique, which is backing the mounting terrorist campaign against Rhodesians, both black and white? When Soviet leaders Brezhnev and Podgorny visit Mozambique they will be the first Soviet leaders to visit Southern Africa. They obviously regard this terrorist base as of the greatest importance.

BRIEF COMMENTS: Unnoticed by the great majority of Australians, Papua New Guinea and the Soviet Union have signed an integrity pact. Both have agreed to respect each other's sovereignty and territorial integrity, equality and the notion of non-interference in internal affairs. The Soviet power men have been signing such pacts for over fifty years, and then cynically proceeding to violate them by seeking to interfere in the internal affairs of other nations. The Soviet strategists are most interested in Papua-New Guinea.

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Defence Minister Killen, writing in the July issue of "The Australian Liberal", says that the whole world is waiting for some sign from Russia that the massive Soviet military build up was for defensive purposes only. "The sign has not been forthcoming", says Mr. Killen. Mr. Killen knows as well as we do that the Soviet military build up is but one aspect of the total Communist war against what is left of the Free World. The Communists are following the Lenin principle of using economics, "cultural exchanges", politics, propaganda and psychopolitics to erode the foundations of the free societies. In accordance with the teaching of Lenin, the threat of military force is only used when demoralisation of the free societies has become complete. It is futile to ask questions about the Soviet military build up while at the same time providing further economic blood transfusions to the Soviet.

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The cartoon asked: "Will the real Jimmy Carter now please come out from behind that fixed smile?" The real Jimmy Carter, supported by Liberal Senator Mondale, has nothing of substance to offer the American people. But he could win the Presidency primarily as a result of a backlash against the scandals of the Nixon era. The real hope in America is that the electorate will increase the number of sounder Congressmen in November. There are encouraging signs that this will happen.

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