



ON TARGET

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The price of Freedom is eternal vigilance—

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August 27th, 1976.

Thought for the Week: "Orthodox writers are fond of dwelling on the disasters accompanying periods of monetary inflation, such as occurred in Germany after the War (1914-18) and in Russia after the Revolution (1917). These writers are careful to avoid mentioning that in both these cases inflation was deliberate on the part of the authorities; and in the one case, was adopted to get rid of Germany's internal war debts, and in the case of Russia, to destroy the private traders by making the rouble valueless". -Arthur Kitson, in The Bankers' Conspiracy, (1932).

THE BUDGET: CLUTCHING AT STRAWS. The reactions from the pundits to the Lynch Budget are entirely predictable. Various little groups of 'experts' have been arrayed by the media to carry out post mortems. Government spokesmen have told us in what a mess Labor left Australia, (which everyone knew already), and assured us that this responsible budget would deal with Australia's number one problem - inflation. Opposition spokesmen have told us that the budget was 'depressing' and absurd and that it would increase the number of unemployed. Experts who did not fall into either of these two categories reflected the treatment of the particular sector they spoke for and their attitude to the Budget depended on the sectional benefit received.

The mathematical facts of the budget have been buried under a welter of tedious opinion. Mr. Lynch gave an earnest, but unconvincing performance as an economic fairy godmother. Shadow Treasurer Chris Hurford, a windy and pedantic critic if ever there was one - nevertheless differed only marginally from Mr. Lynch. The whole performance adds up to another example of a well-worn air on a Marxist G-string.

The facts are these:- The Lynch Budget plans for a total increase in Government revenue over the Hayden Budget of \$3,438 million. Total revenue in 1975-76 was \$18,274 million. Thus, increased taxation in the Lynch Budget will be approx. 17%. In addition, after an immense and painful government squeeze during the last year, there will be a deficit only marginally lower than the last deficit, which was the biggest in Australia's history.

If Mr. Lynch is honest in his intentions to stop inflation, he should explain to the Australian people, how this increase in revenue will

avoid being reflected in a consequent rise in prices. It is quite beyond dispute that industry can only pass on increased costs - whatever their source - to the consumer. There must at the very least, be an increase in prices, in the order of \$3,500 million, plus interest, as industry seeks finance from banks to meet the impact of such costs as they occur.

It is rubbish to push such a range of costs into the price structure, and then to talk of halting inflation. Income tax will rise by \$1,755 million; Company tax by \$377 million; Sales Tax by \$291 million, (now tacking a total of \$1,700 million directly on to prices), and Excise by \$178 million.

Far from solving anything, this budget can only accelerate the descent of the Australian economy into chaos. Unemployment will increase; even Mr. Lynch is not so foolhardy as to deny this. But he will be faced with an explosion in the Consumer Price Index before too long, making complete nonsense of his claim that this is an anti-inflationary budget.

THE HERITAGE CAMPAIGN: There has been a shrill and somewhat hysterical outburst from the socialist press at the success of the new journal, "Heritage", confirming our view that there is a gathering momentum behind the campaign to defend the Governor-General and the Constitution. There are more cynics than idealists in the ranks of the left-wing, to judge by the refusal to concede that anyone really believes in the Monarchy.

Predictably, Nation Review parroted its repetitious venom at the League. More often than not its columns take some space from catering to the "Gay" community in its "Dalliance" columns, to lampoon those it disagrees with, and is paranoid about Sir John Kerr.

The National Times, (Aug. 9-15), criticised Victorian Premier, Dick Hamer for writing a message in the first issue of "Heritage". It suggested that this was a propaganda coup for the League. However, the National Times may yet have to prepare for more surprises as the extent of the public support for the Governor-General becomes clearer, and others add their names to those who contributed to the first issue of "Heritage". The League has criticised Mr. Hamer, as well as the other Premiers who contributed, on more than one occasion and will no doubt do so again. But, we have no doubt that Mr. Hamer upholds and values Australia's constitutional heritage, thus appreciating his contribution. Equal appreciation is extended to the many loyal Labor voters who have supported and contributed to the Heritage campaign.

The ABC bias towards the Governor General has been too obvious to

require much comment. The following letter, in the Sydney Morning Herald (18/8/76), speaks for itself:

"Sir - I refer to Sir Henry Bland's directive to ABC staff to cease giving free advance publicity through the taxpayer's media to forthcoming demonstrations. Sir Henry may well go further and examine the peculiar meaning now being attached to this word "demonstration" by some of the ABC's staff. In ABC doubletalk, the word 'demonstration' now means free nationwide publicity for any three people who give an advance tip to the ABC so that the cameras and microphones can be conveniently focused before the happening. Among other instances, I base this definition on the "news" broadcast repeatedly by the ABC last Anzac day. Like tens of thousands of others I was hoodwinked into believing that there had been a "demonstration" at the annual commemoration at the National War Memorial. I wonder how many of these listeners had my good fortune to read the Canberra Times of the following morning, which publicly challenged the veracity of that radio "news", specifically mentioning the ABC's reports of a "demonstration".

SENATOR COTTON'S REVEALING ANTI-BUSINESS ATTACK:- In what "The Australian" described as a 'surprising and stinging attack on the business sector', Senator Cotton, Minister for Industry and Commerce, confirmed our repeated views of the failure of the Fraser Government's financial policies, when he addressed a group of business men in Brisbane on Thursday, Aug. 5th. Senator Cotton described business men as 'un-enterprising' and 'self-centred'. The Fraser Government clearly is starting to realise that there has been comparatively little response to its investment incentives and the mini-budget of May 20th. Why should businessmen involve themselves in greater financial debt and all the problems associated with higher labour costs, when they know that there is inadequate consumer demand, the result of a deficiency of purchasing power, to buy at profitable prices, what they can easily produce with present equipment?

Senator Cotton warned, that unless businessmen accept their share of responsibility for the state of the economy, it would "open the way for broad, direct government intervention in private economic activities". Senator Cotton obviously does not understand that the true purpose of the free enterprise system is to produce, as efficiently as possible, the goods and services required by consumers. Australian producers, both primary and secondary, have demonstrated that they can easily produce an abundance. It is insulting nonsense to suggest that businessmen have not accepted

their responsibilities. As for Senator Cotton's charge that the average businessman expects the Government to come to his assistance "when the going got tough", he should be told by businessmen that all they require from Government is that it ease the financial burdens it imposes on business, with crippling and inflationary taxes, both direct and indirect. Government's and their "expert advisers", most of whom could not run a school bun shop, are responsible for inflation, not businessmen.

It is time that Senator Cotton and his colleagues accepted their responsibilities and implemented financial policies which would enable the free enterprise system to operate satisfactorily. All over Australia large numbers of businessmen are reducing staff, and their economic activities, in a desperate effort to survive. They are not amused by Senator Cotton's criticism.

BRIEF COMMENTS: Prime Minister Fraser allegedly visited Communist China in order to understand the thinking of the Communist leaders. Obviously Mr. Fraser learned nothing, as witnessed by his offer of economic aid to the Chinese Communists following the earthquake destruction. As good Marxist-Leninists, the Chinese Communists promptly rejected the offer. Marxist-Leninists are, under certain conditions, prepared to accept aid from fellow-Marxist Leninists. But to admit publicly to accepting aid from the "capitalists" would be a blatant violation of the fundamental principles of Marxism-Leninism. If Mr. Fraser had done a crash course on Marxism-Leninism, and also studied "The Thoughts of Chairman Mao", he would never have made his offer of Australian aid. He might have even grasped the folly of going to Communist China.

"Dialectics", by Eric D. Butler, explains simply the meaning of the underlying philosophy of Marxism-Leninism, dialectical materialism. (Price: 80 cents, post free, from all League Offices.)

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In his statement of August 4th, the Prime Minister assured Australians once again that the Government's economic policies "are beginning to work". There were signs - these not listed - that the economy was beginning "to move forward". The most significant part of the Prime Minister's statement was that on his visit to Washington and New York he had found acceptance of the Government's economic policies "in tackling inflation". This is a suggestion that the Fraser Government is attempting to please the policy makers of Washington and Wall Street. The same policy makers have only reduced inflation temporarily in the United States by creating massive unemployment and by bankrupting thousands of primary and secondary industries.

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