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The price of Freedom is eternal vigilance—

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Thought for the Week: "No civilised country in the world has ever voluntarily adopted the extreme philosophies of either fascism or communism, unless the middle was first liquidated by inflation."

- H.W. Prentiss Jr. in American Opinion.

THE BUDGET - 1977: "The Federal Government has reversed its economic recovery strategy in the 1977 Budget"

- The Australian, August 17th

There is no point in re-hashing the pages and pages of political comment which has appeared in the media since Mr. Lynch brought down the Budget on the night of the 16th of August.

Mr. Lynch is very proud of himself, and becomes testy when his Budget is criticised. We have been asked if we share the opinion that the Budget was framed with an early election in mind; and we have to agree that we think so. A few conclusions, however, can be drawn by digging beneath the surface, and one of these is that, as the quote from The Australian (above) infers, last year's Budget did not do the job it was hopefully designed to do, as we pointed out in our issue of On Target (August 27th, 1976). Our comment then was: "If Mr. Lynch is honest in his intentions to stop inflation, he should explain to the Australian people how this increase will avoid being reflected in a consequent rise in prices (this refers to a 17% increase in taxation for 1976-77). 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... as industry seeks finance from banks to meet the impact of such costs as they occur" "Far from solving anything this (1976) 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."

'Only mounting unemployment has kept down the "explosion" of inflation. We have referred in these pages more than once to the "inflation-unemployment see-saw": when one goes up, the other goes down;

and vice-versa. This is the manner in which the modern finance-economic system generally acts. Even so, and in spite of escalating unemployment, the inflation rate is still into double figures. Supporters will recall that both Mr. Fraser and Mr. Lynch promised us single digit inflation by the end of the 1976-77 financial year. Our opinion is that we shall not see single digit inflation again, unless a major depression strikes, and even then inflation will not disappear. The recession we have now, although magnified by the Labor Opposition parties around the Commonwealth, is not to be compared with the conditions of the Great Depression, when TWENTY SIX PER CENT of the work force was unemployed: the unemployment rate at present is around 5.5% and this probably will rise to 7% or 8%, when the school-leavers flood on to the Labour market after Christmas. No wonder Mr. Fraser would like a December election if he can wangle it! The latest Gallup Poll shows that he would lose an election now. Think of the volatility of the Australian electorate: from the largest parliamentary majority in Australia's history to probable defeat in less than two years! This is where Malcolm Fraser has taken the once-great Liberal Party.

The main thrust of Mr. Lynch's new (1977-78) Budget is to promote (again hopefully) an economic recovery through consumer spending, via the income tax cuts. Will it work? We doubt it. Our opinion is that the recession has gone on too long; that Australians have lost confidence in the Fraser Government to restore economic buoyancy; that too many jobs have now been gobbled up by automatic machinery, thanks to unreasonable wage demands (and the politicians are just as bad as the unions they condemn!), and general scarcity of high-quality, reliable labour. We can lay much of the blame at the feet of what we would describe as "The New Education". Young people coming from the schools just don't have the same sense of responsibility as their parents. This is a generalisation, of course; there are always the exceptions. However, we don't condemn the kids for their attitudes: it's all complex; there are hosts of factors involved. There is a word which covers the general "running down" of a society: decline of manners, lack of responsibility, disrespect for age, disrespect for women, decline in real education, and yes, a decline in the general level of intelligence. It is called entropy. It means a reversal of those tangible and intangible forces which build a society up. We are living in an age of entropy now. We shall say no more than this, because further expansion would bring us into spiritual realms, beyond our field.

But we find agreement with Mr. Kenneth Davidson (The Age, August 17th,) who said, in his regular columns: "Next year the Government (whether Labor or Lib.-National Party...On Target) will have to apply further draconian cuts to public spending just to get the Commonwealth sector deficit within striking distance of \$3000 million as the personal tax concessions come home to roost."

Yes, obviously the next Federal election will be held before the next Budget.

"DON'T CONFUSE ME WITH FACTS": "If anyone seeks to dissuade me from the view I hold in relation to Southern Africa, I'm afraid I won't change my views because this is one of the issues on which my views are fixed". Malcolm Fraser, in The Age, August 20th.

Mr. Fraser's mind is made up, he doesn't want to be confused with facts! Mr. Fraser was addressing the N.S.W. Liberal Party State Convention: it is openly conceded that the Federal Parliamentary Liberal Party is divided on the Southern Africa issue. Mr. Fraser is sounding a note of desperation; and knowing his dogged stubbornness, he will be railing about Southern Africa, and proclaiming his correct judgement as he goes over the cliff, taking many with him.

His ignorance of the true situation in Southern Africa is abysmal. He will not visit there, nor will Peacock, the internationalist's representative in the present Government. Mr. Fraser sticks doggedly to his fallacy that support of the Smith regime, support of white minority rule, is synonymous with the encouragement of Communist penetration into that region of the world. This is ridiculous.

In our issue of August 12th we quoted the remarks of Mr. Michael Barnard, in his regular feature article in The Age (August 6th) who said: "They (the terrorist Front leaders) are not interested in ANY constitutional settlement, even in one clearly guaranteeing black majority rule, that does not ensure their own personal power, and the entrenchment of the Marxist Patriotic Front." And more.

The facts are that the so-called "patriotic fronts" are organised and trained, and provisioned, and armed by Communist forces, mainly Chinese and Russian. They have been for years. They want total power and control. Those "tripping" on an hallucinogenic drug may be expected to believe that these Communist guerrillas will just "melt away" if the Smith regime hands over power to them. This view is not only absurd, it's evil. That's the Fraser-Peacock "line": hand over power to the terrorists; everyone will have a vote (whatever that means to the African) and somehow or other, peace will reign. Well, half the parliamentary Liberal Party won't "buy" this dangerous rubbish: apparently the other half will. But we don't really think that they "buy" it, but are prepared to go along with it to save their political skins. The Socialists (A.L.P.) are for the Moscow-Peking "line" in Southern Africa to a man. Wonderful, isn't it?

True to form, the World Council of Churches again rears its hideous head. The new Uniting Church has bought into the argument by reason of the heated statements of its Secretary for "Justice" (if you please!) the Rev. Dick Wotton against the Southern Africa governments. The Rev. Dick Wotton is conforming with a World Council of Churches resolution against Southern Africa. He is also concerned that the entry of white Rhodesians into Australia would transfer "racism" from

Rhodesia to here. And more. Mr. Douglas Wilkie, in Sunday Press (Melbourne-August 21st) was quite cynical concerning the Government's U.N. "grovel"; "The Liberal Party was split last week on the issue of whether to support Mr. Fraser in his intention to go one better than the U.S. in currying black African favour - by banning the Rhodesia Information Centre in Sydney.

"Regardless of rights and wrongs inside Rhodesia, the Fraser-Peacock intention breaches the principle of recognising whatever government is in effective control of a country.

"More dangerous is Mr. Peacock's plea that he is obeying a 'mandatory' United Nations ruling, thereby conferring on the U.N. the status of a supra-national, and not just an international organization. (emphasis ours).

"Heaven help Australia when a U.N., dominated by Communist and Third World votes gets around to giving us 'mandatory' instructions on what we should do about our Aborigines and Asian refugees." Quite so, Mr. Wilkie.

AFRICA AND AUSTRALIA: "Australia's mining industry stands to benefit from the political and economic problems brewing in several Southern African countries."

The Weekend Australian, August, 20-21.

Visiting South African Professor, D.A. Pretorius, put this view at a lecture given at the University of Sydney recently. This may be part of the reasoning of Messrs. Anthony and Fraser in their quite unrealistic hostility to Southern Africa. It is very easy to "rationalise" when one will benefit: "After all, its for their own good" etc. etc. We all do it in moments of weakness.

Mr. Anthony perhaps does think that his Party will be revitalised because of massive injections of cash from abroad for the development of mining in Australia, with the National Party becoming the parliamentary "voice" of the massive injections of cash. A further example, if one were needed, of C.H. Douglas's assertion, in 1936, that there is only ONE party: that being the "Financial Party". We regard Doug Anthony now as the parliamentary spokesman of the Australian mining interests, and their overseas affiliates.

It could be that, if Southern Africa does go down to International Communism, Australia will have a brief honeymoon with the big spenders from Europe and America. It will be brief; because if this situation does come about it will not be long before the "attentions" of the U.N. are concentrated on us, and we shall be receiving "mandatory" rulings about this and that, as Mr. Wilkie foresees, as a prelude to the full "Southern Africa" treatment for Australia, and the destruction of our sovereignty: indeed, the destruction of Australia. The Professor mentions that "Zaire, Zambia, South Africa and Rhodesia are major suppliers of raw materials to Western industrialised nations."