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The price of Freedom is eternal vigilance—

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Thought for the Week: "... I return to that terrible statement of Bertrand Russell. I don't understand at all why Bertrand Russell said 'Better red than dead'. Why did he not say it would be better to be brown than dead? There is no difference. All my life and the life of my generation, the life of those who share my views, we have all had one standpoint; better to be dead than a scoundrel. In this horrible expression of Bertrand Russell there is an absence of all moral criteria. Looked at from a short distance these words allow one to manoeuvre and continue to enjoy life. But from a long-term point of view it will undoubtedly destroy those people who think like that."

- Alexander Solzhenitsyn.

PREDICTIONS OF DISASTER: "Canberra. Two top-level reports yesterday dampened hopes of an early economic revival. A confidential report from the Reserve Bank says unemployment will get worse this financial year and inflation will drop only slightly.

"And a survey of big businesses by the Department of Industry and Commerce depicted continuing gloom for Australia's economic outlook. The confidential Reserve Bank report is a much blacker outlook than the Federal Government's assessment in recent weeks. And the leaking of the report has embarrassed the Government."

- The Age, Melbourne, September 26th.

With every day that passes it becomes increasingly obvious that the predictions made by Mr. Eric Butler on March 18th, 1976, in the brochure, Fraser Government on Road to Disaster, were correct. We have warned before, and do so again, that unless the Fraser Government makes some fundamental changes in its financial policies, starting with a drastic reduction, if not abolition, of Sales Tax, Australia will be in a near-revolutionary situation by next year irrespective of whether or not Mr. Fraser wins an early Federal Election. Unemployment will certainly be much worse. Contrary to Mr. Fraser's claim that "measured by the broadly-based implicit price deflator", the inflation rate has been reduced to 9.2%

the Reserve Bank forecasts that inflation will run at 11% to 12% during the current year. But from a realistic point of view, it does not matter whether the inflation rate is 9.2%, 12%, or even 20%. The fact is that continuing inflation is progressively destroying the foundations of a stable, orderly society. The Reserve Bank's prediction that there will be a moderation of the inflation rate during the latter part of the current twelve months is clearly based upon the assumption that unemployment will increase, and that desperate businessmen will discount their prices as more of them close their doors. The depressed primary producers have been making their contribution to any slight reduction in the inflation rate, by accepting lower real returns for their prodigious production.

A.L.P. spokesman Mr. Hayden warned that a "credit squeeze was on the way".

There is, in fact, a "credit squeeze" operating at present, and any intensification of that policy would be like pouring petrol on the flames of a fire already burning strongly. Responding to the Reserve Bank Report on behalf of the Government, Acting Federal Treasurer Robinson said in Canberra last Monday, Sept. 26th, that the forecasts for the economy were too gloomy. There would "certainly not" be a credit squeeze and "the economy is improving."

Clearly there is a difference of opinion between the "experts" of the Reserve Bank and the "experts" of the Treasury, who are quite satisfied that Mr. Lynch and Mr. Fraser are carrying through their "successful strategy." Which reminds us of the definition given of economists many years ago by the late Professor Walter Murdoch. He describes this group of "experts" as people who make their living explaining one another's mistakes." The closest the Reserve Bank "experts" got to the basic problem was a reference to "the low level of real demand." There is nothing wrong with the free-enterprise system of production in Australia. Even operating within severe financial shackles, it has produced an abundance of every type of primary and secondary production. It could easily produce much more if called upon to do so. The road to sanity, away from threatening revolution, must start by increasing consumer demand without further inflating prices. A reduction in Sales and other indirect taxes, coupled with a policy of consumer price discounts on basic items in the economy, would soon transform the Australian situation. (Essential reading at this time is A Programme for Reversing Inflation, by Eric D. Butler. 70 cents posted. Every person ordering this booklet will also receive the current issue of Enterprise, providing a comprehensive survey of the vast wealth, mineral and otherwise of Australia, and its productive capacity.)

A RENEWED ATTACK ON THE CONSTITUTION: The "Conference for a Democratic Constitution", held in Melbourne last week-end, was the first of a series of new attacks on the present Federal Constitution.

The declared Republicans were there in force. The week-end conference was held in the Great Hall of the Exhibition Buildings, Melbourne, where the first Parliament sat in 1901. One of the "stars" of the conference was Mr. Don Chipp, who echoed the views of Mr. Bob Hawke, expressed some time ago at a Canberra press luncheon, that Australia should turn from the Westminster type of Government to that of the United States, where Ministers can be appointed who are not Members of Parliament.

From a superficial viewpoint, Mr. Chipp's comments appeared reasonable: "There are not enough successful people in the private or public sector who are prepared to risk all to be a back-bencher for three years and part of the parliamentary 'rubber stamp' to the executive's actions, or to be an unheard voice on the Opposition backbench."

Then Chipp went on to say that a new Minister, because of lack of experience in a particular field, or no administrative experience, was "at the mercy of, and more under the influence of, his departmental head than good governments demands." We are not aware that the American bureaucracy is less destructive than its Australian counterpart, even though they have non-elected Ministers. A Government is only at the mercy of the non-elected bureaucracy when it fails to indicate specifically what policies it requires to be carried out, and insists that the bureaucracy is there to serve the Government and the electors. Much of the problem mentioned by Mr. Chipp only arises because Government is too big and interfering in matters which are not the legitimate function of Government.

In his contribution to the Melbourne conference, Mr. Gough Whitlam predicted that in his lifetime there will be a "new people's constitution." A "democratic constitution would make it possible for the people's will, freely and periodically expressed, to prevail."

We understood that the people of Australia did express their will in December, 1975, when they indicated in no uncertain manner that they had enough of Mr. Whitlam.

The National Secretariat Conference of The League of Rights considered the planned in-depth assault on the Federal Constitution by the Republicans, and decided that through The Heritage Society, concrete steps should be taken to conduct a national campaign in favour of supporting the basic features of the Federal Constitution, including the Monarchy. A series of conventions are planned, starting with one in Sydney at the earliest practical date.

BRIEF COMMENTS: The most nauseating aspects of the behaviour of so many political leaders are the double-standards. There was much ado when that man of principle, President Carter, enrolled daughter Amy in a Washington de-segregated school with mainly black students. But the media co-operated by not publicising the fact that little Amy has been taken from the de-segregated school and sent to a private, all-white school. This does not mean that President Jimmy Carter is now in favour of de-segregated schools for other Americans. Those who cannot afford private schools are being told that their children must attend de-segregated schools, even if this means busing them all over the country.

Australia's Treasurer Phil Lynch is of the firm opinion that Australians are suffering from "excess liquidity" - in simple English, have too much money - strongly opposed along with his colleagues the last Arbitration Commission wage increase of a few extra dollars per week, but agreed to a \$60 a week increase for Federal politicians. Mr. Lynch has recently bought a \$100,000 high-rise flat at Surfer's Paradise, Queensland. His wife Leigh has now taken a job. Not so long ago, Mrs. Lynch was reported as saying that even the Lynch family was affected by inflation and had to be careful about shopping. Treasurer Lynch's salary is \$50,000 a year.

A U.S. Congressional committee predicted last week that the American economy would continue slowing down next year. Treasury Secretary Michael Blumenthal insists that the slow down was only temporary. The Congressional committee charged that the Federal Reserve Bank had been too restrictive. Remember all those stories about the U.S. "Climbing out" of the recession?

The expanding Soviet merchant navy is being used in the total war against the free world. Soviet ships are expected to be carrying close to 10% of all Australian imports from the U.S.A. by the end of the year. The Soviet's rate-cutting charges are rapidly ensuring that the Soviet's merchant fleets are carrying an increasing part of the freights of the Free World nations.

At his Brisbane press conference last Monday Sept. 26th Prime Minister Fraser explained that although he had supported a massive devaluation of the dollar, now he favours Australia increasing its external debts to avoid a further devaluation. A constructive programme for abolishing inflation would make both devaluation or external borrowing unnecessary.

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