



# ON TARGET

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- NEWS HIGHLIGHTS
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- COMMONWEALTH AFFAIRS

*The price of Freedom is eternal vigilance—*

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Thought for the Week: "A passion for giving orders is almost complete evidence of unsuitability to give orders... People who have had much experience of giving orders justifiably and successfully, give as few orders as possible, by reason of having learnt that the surest way to make trouble for yourself is to give an order. A Utopia is a comprehensive order, and it is significant that the devisers of imposed Utopias are invariably those people, organisations and races who manage their own affairs worst."

- C.H. Douglas in The Big Idea.

REDUCED INFLATION AND RECORD JOBLESS: According to Prime Minister Fraser and his financial "experts", reduced inflation is the only way to ensure that unemployment is reduced. But the realities are rather different. By the imposition of a restrictive credit policy, the Fraser Government was able to reduce the inflation rate (using the Consumer Price Index as a measurement) by approx. 5% last year. But, as we have consistently predicted, so far from unemployment going down, it has continued to move upwards until the number of unemployed has reached a post-war record of 445,300 or 7.2%. Press reports state that the Government was surprised at the big increase.

A major feature of the unemployment situation is the big percentage of adults who have lost their jobs. The tragic state of the Vic. housing industry provides some graphic evidence of the destructive impact of the Government's anti-inflation policy. Home building slumped by 22.5% during 1977. As spokesmen for the housing industry have pointed out, the pathetic 0.5% cut in interest rates will make little difference to the situation. In 1967 nine out of ten wage-earners could afford to buy a house. Now only two out of ten can afford to do this. The social implications of these facts are highly disturbing. And yet there are no physical reasons why adequate houses cannot be built for those Australians requiring them.

In response to media questioning on the record jobless figures, Mr. Viner, Acting Minister for Employment and Industrial Relations,

doggedly adhered to the official Government theme that unemployment would only fall as the result of a reduction in the inflation rate. Mr. Viner and his colleagues ignore the experiences of, for example, the United States, where in spite of deflationary financial policies, it has proved impossible to reduce inflation below 6%. Unemployment continues at over 7%.

Although Mr. Viner firmly predicts that unemployment will begin to decline next month, he refused to give a firm assurance that unemployment would not be higher in twelve months than it is today. The current record figures probably do not give the complete picture as changes to the Social Service Act discouraged large numbers of school-leavers from registering. The Commonwealth Government has consistently argued before the Arbitration Commission that by refusing to grant wage-earners increases commensurate with price increases the Commission helps the unemployed. One does not need to be a genius to grasp the truth that if the effective purchasing power of existing wage-earners is reduced (as it has been under the Fraser Government) then there is less demand on industry. Reduced demand leads to increasing unemployment. Demand can be sustained, temporarily, by wage-earners drawing upon reserves in savings accounts. There is evidence that this is happening, with some advertisers making the point that as inflation is going to continue, money in the bank is losing its value. Much better to buy that new washing machine!

In spite of all the double-talk, the truth is that the major promises of the Fraser Government cannot be fulfilled under present financial-economic policies. Any further reduction in the inflation rate can only be achieved by maintaining, or even further increasing, the jobless figure. The rural disaster will worsen and tens of thousands more businessmen be forced into bankruptcy, or out of business in order to avoid bankruptcy. It is becoming increasingly clear why Mr. Fraser desperately wanted his premature Federal election.

As there is still nothing basically wrong with the Australian production system, which is capable of producing all the requirements of the Australian people, including an adequate defence system, the central question is how to increase demand on that production system without inflation. Substantial tax reductions, starting with the abolition of the iniquitous Sales Tax, and a system of consumer price discounts, are the two first essential steps. Members of Parliament who continue to ask the pathetic question, "But where would the money come from?" should be sent a copy of *The Money Trick* (price \$1.30 posted) and asked if they can refute the eminent banking authorities quoted.

THE TRAGEDY OF THE SIR JOHN KERR APPOINTMENT: The League of Rights believed that Sir John Kerr acted correctly in insisting that the Whitlam Government face the judgment of the electors in December 1975. Through the Heritage Society, the League was the only organisation in Australia which campaigned in defence of Sir John Kerr during a period of nation-wide criticism and demonstrations. But Sir John Kerr has done himself considerable damage by accepting the appointment as Ambassador to the United Nations Educational and Cultural Organisation in Paris. And has given the Republicans and subversives the opportunity to intensify their campaign against the Crown. But Prime Minister Fraser is the man who must accept the major part of the blame for what has happened. Irrespective of what the truth may be, Mr. Fraser has created the impression that he has cynically paid a political debt to Sir John Kerr. In spite of his own recorded views that a Government with a majority should not be granted a premature election for political gain, Sir John obliged Mr. Fraser with a dissolution which Mr. Fraser desperately required. Prior to the last Federal elections, Mr. Fraser refused to comment on questions concerning Sir John's possible appointment as an Ambassador. Such an appointment was "not under contemplation". But in his press conference at which he attempted to defend the Kerr appointment, Mr. Fraser admitted that discussions about some suitable appointment for Sir John had taken place as far back as mid-1976. Having gained office because of Sir John's courageous decision, Mr. Fraser then wanted to be rid of the Governor-General. Quite rightly Sir John required something if he were to relinquish prematurely the position of Governor-General. The UNESCO appointment is one of the worst Mr. Fraser could have made. The Fraser Government had previously insisted that the UNESCO post was unimportant and that Australia should save money by downgrading it. While we are not concerned that this appointment will haunt Mr. Fraser and be a political liability, we are concerned about its reflection on the institution of the Monarchy. If it was desired that Sir John Kerr should retire early much better arrangements could have been made than the UNESCO appointment.

BASIC FUND: During the past week 28 supporters have pledged/donated \$1,125 to take the total at the time we go to press to \$23,303. We have a long way to go to reach our minimum target of \$45,000.

ORGANIC FARMING FESTIVAL: This Festival will be held over Easter, March 25th, 26th and 27th, i.e. Easter Sat., Sun., and Monday. For further information contact Mr. Geoff. Wallace, R.M.B. 1059(A), Wodonga, Vic. 3690. Tel: (Vic.) 060.275340.

BRIEF COMMENTS: At his recent public cattle sale on his Victorian property, Prime Minister Fraser received \$37,000 for 530 cattle.

Mr. Fraser frankly admitted that despite his so-called wealth, he had needed his Prime Ministerial salary to subsidise his farming operations at the present time. Unfortunately most hard-pressed farmers do not have a subsidy. What they would like from the Fraser Government is an easing of their financial costs, starting with a substantial reduction in interest rates.

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Labor leader Hayden has visited Australia's rural areas. But he has nothing more constructive to offer than the Government. He suggests that farming cooperatives might be of assistance. Mr. Hayden said at Narrandera, N.S.W. that a "phenomenal improvement" in farm efficiency during the past ten years would have to continue. "I expect economies of scale in farming to continue", he said. In other words, get bigger or get out. The end result of this process is the destruction of the traditional family farm and the introduction of the collective.

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The South African former newspaper editor, Mr. Donald Woods, stands self-condemned as either a fool or a knave. Mr. Woods wants complete economic sanctions applied against South Africa, allegedly to prevent a threatened civil war. He wants Western powers to cut all ties with South Africa. Mr. Woods does not recommend such a policy against the Soviet Union or any Communist country. If adopted, his policy would mean that the West would be depriving themselves of vital natural resources essential for their defence systems. Wood makes the absurd suggestion that Western investors should pour their investments in black nations bordering South Africa. The Wood policy, which is also the Communist policy, would produce internal chaos and ultimate collapse inside South Africa. Perhaps this is what Mr. Wood wants.

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The pathetic plight of Australia's defences has been highlighted by the NSW President of the Returned Servicemens' League, Sir Colin Hines, who has charged that the army was running short of rifle and machine gun ammunition. Defence Minister Killen has admitted the truth of Sir Colin's allegation, saying that he had arranged an urgent meeting with the Minister for Production, Mr. McPhee, to see how the problem could be overcome. Sir Colin Hines says that he has been informed by reliable army sources that Australian munitions factories were only working at about 50% of their peak capacity. A hopelessly inadequate defence budget is part of the Government's "restraint" policy.